

In certain circumstances, the loss of the exclusion of interest on the Series 2012 Certificates of any series from gross income of the owners thereof for federal income tax purposes could be retroactive to the date of issuance of such series of the Series 2012 Certificates. The tax liability of the owners of the Series 2012 Certificates for failure to include interest on the 2012 Series Certificates in their gross income may extend to years for which interest was received on the Series 2012 Certificates, or some portion thereof, and for which the relevant statute of limitations has not yet run.

In recent years, the IRS has devoted significant resources to the auditing of tax-exempt health care systems to determine whether the Exempt Organizations of such systems meet the general criteria for tax-exempt status. These audits focus on: the relationship between tax-exempt health care providers and private individuals, particularly physicians; the amount of community benefit provided; compliance with applicable laws, especially the Medicare and Medicaid fraud and abuse laws; and possible violations of the prohibitions against private inurement and/or private benefit. The significant amount of scrutiny being brought to bear on Exempt Organizations by the IRS present a heightened risk that an Exempt Organization's exemption might be called into question. Although the Obligated Group's management believes that the activities of the Exempt Organizations that are members of the Obligated Group are in compliance with federal tax laws and IRS standards applicable to Exempt Organizations, no assurance can be given that the IRS will not assert that one of them has entered into transactions which violate one or more of these rules or requirements. Such a violation would jeopardize the Obligated Group tax-exempt status, as well as the exemption from federal income tax of interest on the Series 2012 Certificates.

The sanctions available to the IRS if an Exempt Organization violates the private inurement or private benefit rules are not only revocation of tax-exempt status, but also monetary penalties on the Exempt Organization and/or interested individuals. It is impossible to predict what additional legislation or IRS guidelines or standards might be promulgated with respect to the maintenance of tax-exempt status by Exempt Organizations.

Recent years have also seen increased efforts by local governments to tax real property owned by Exempt Organizations. In several instances, such challenges have resulted in settlements whereby Exempt Organizations have agreed to make payments to local taxing authorities in lieu of taxes. Persistent efforts on the part of state and local government officials to increase tax revenues, could lead to review of tax exemptions currently afforded in Georgia to the real property of Exempt Organizations. If these efforts result in taxation of the real property of Exempt Organizations, the Obligated Group operating expenses would be increased.

Limited Protection Against Loss of Tax Exemption

There is no provision for the redemption of the Series 2012 Certificates or for the payment of additional interest on the Series 2012 Certificates in the event that interest on the Series 2012 Certificates becomes includable in gross income for federal income tax purposes. In the event that interest on the Series 2012 Certificates becomes includable in gross income for federal income tax purposes, the value and marketability of the Series 2012 Certificates would likely be adversely affected. The occurrence of an event that results in the interest payable on the Series 2012 Bonds being includable in the gross income of the owners of the Series 2012 Bonds for federal income tax purposes is not an event of default under the Certificate Indenture and does not give rise to a redemption of the Series 2012 Bonds or to the payment to the owners of the Series 2012 Bonds of any amount denoted as supplemental interest, additional interest, penalty interest, liquidated damages, or otherwise, in addition to the amounts otherwise payable to the owners of the Series 2012 Bonds.

Termination of Lease

As described in this Official Statement under the caption "THE SYSTEM - Lease," PPMH does not own the Hospital, but leases the Hospital from the Authority pursuant to the hereinafter described Lease, which expires on July 31, 2052.

If PPMH defaults under the Lease, the Authority may terminate the Lease. In the event of such a termination, PPMH would no longer be entitled to occupy, operate, and receive the revenues from the Hospital. [The Authority will execute and deliver to the Master Trustee an Estoppel Certificate in which it will agree to give the Master Trustee (1) 60 days' notice prior to terminating the Lease as a result of any default thereunder by PPMH, and (2) the opportunity to cure such default within such 60-day period. Notwithstanding the Estoppel Certificate described in the preceding sentence, there can be no assurance that the Master Trustee will be able to cure any defaults under the Lease and thereby preserve PPMH's leasehold interest in the Hospital.]

The consequences of terminating the Lease are (1) PPMH will no longer be entitled to occupy, operate, and receive the revenues from the Hospital, (2) the revenues derived from the Hospital will no longer be subject to the lien created by the Master Indenture on the Gross Receipts of PPMH, and (3) the covenants of PPMH which are contained in the Master Indenture and which are applicable to the Hospital will no longer be operable as to the Hospital.

THE AUTHORITY

Introduction

The Authority is a public body corporate and politic and an instrumentality of the State of Georgia created and existing under the laws of the State of Georgia, particularly the Hospital Authorities Law. The Authority was activated by resolutions of the Board of Commissioners of Roads and Revenues of Dougherty County and the City Commission of Albany, Georgia, adopted on July 22, 1941, and August 4, 1941, respectively.

Under the Hospital Authorities Law, the Authority has broad powers to acquire, construct, improve, operate, alter, and repair hospitals, health care facilities, dormitories, office buildings, clinics, housing accommodations, nursing homes, rehabilitation centers, extended care facilities, other public health facilities for the use of patients, officers, and employees of any institution under the supervision and control of the Authority, and all utilities and facilities deemed by the Authority to be necessary or convenient for the efficient operation thereof. **THE AUTHORITY HAS NO TAXING POWER.**

The Authority owns the Hospital. Pursuant to the Lease, the Authority has assigned substantially all of its assets other than the Lease to PPMH, which, pursuant to the terms of the Lease, has primary responsibility for operation and management of the Hospital.

Governing Body

The Hospital Authorities Law provides that the Authority shall be governed by a Board of Trustees of not less than five nor more than nine members to be appointed by the Board of Commissioners of Dougherty County for staggered terms, as specified by resolution of the Board of Commissioners of Dougherty County. The Board of Trustees of the Authority (the "Authority Board") is presently composed of nine members, all of whom are voting members. The Hospital Authorities Law requires the members of the Authority Board to be residents of Dougherty County and to elect one of their number as Chairman and another as Vice Chairman and to elect a Secretary-Treasurer, who need not be a member of the Board of Trustees. See "THE AUTHORITY" in Appendix A hereto for a list of the current members of the Authority Board, their principal occupations, and respective terms of office.

For a more complete description of the Authority, see "THE AUTHORITY" in Appendix A hereto.

THE COMBINED GROUP

Corporate Structure

The expanding range of activities engaged in by hospitals and the changing regulatory climate affecting hospitals caused the Authority in 1991 to organize a holding company structure including the Parent, as the parent corporation of PPMH and other subordinate affiliates providing a variety of health care and related services. The restructuring was designed to maintain as much flexibility as possible in light of then recent and impending changes in federal legislation relating to health care providers. Specific goals included increased flexibility in providing health-related but non-hospital services and facilities, preserving and protecting assets for use in the development of future health care services, establishing new operating relationships to obtain capital necessary to support and develop health care programs, and improving Medicare and Medicaid reimbursement revenues.

The current corporate structure consists of the Parent and its nine subordinate entities: (1) PPMH, which operates the Hospital, (2) Phoebe Worth Medical Center, Inc., a non-profit corporation formed to acquire and own Baptist Worth Hospital in Sylvester, Georgia, (3) Phoebe Sumter Medical Center, Inc., a nonprofit corporation formed to acquire and own Sumter Medical Center in Americus, Georgia, (4) Phoebe Dorminey Medical Center, Inc., a nonprofit corporation formed to manage Dorminey Medical Center in Fitzgerald, Georgia, (5) Phoebe Putney Health Ventures, Inc., a for profit corporation formed for the purpose of contracting with purchasers of health care services and for the purpose of operating a physician-hospital organization, (6) Phoebe Foundation, Inc., a nonprofit corporation formed to create and maintain endowment funds and to solicit and receive contributions on behalf of affiliated exempt entities, (7) Phoebe Putney Indemnity, LLC, whose sole member is [the Parent], formed as a captive insurer to provide general

liability, professional liability, personal injury liability, advertising injury liability, contractual liability, and auto physical damage coverage for PPMH, (9) Phoebe Health Partners, Inc., a preferred provider organization, and (10) Phoebe North, Inc., a nonprofit corporation formed to lease and operate Palmyra Park Hospital, a 248-bed general acute care hospital located in Albany, Georgia.

By separating certain activities into separate corporations, the reorganization was designed to permit the development of a wider range of revenue-generating activities not directly related to the delivery of hospital patient care services.

Notwithstanding the relationships between these various corporations, the Parent, PPMH, and Phoebe Worth Medical Center, Inc. are currently the only members of the Obligated Group or the Combined Group and as such will be solely responsible for payments due under the Series 2012 Obligation, except to the extent that a related corporation may at some future date be permitted to become a member of the Obligated Group pursuant to the Master Indenture. There is no present intent to include any additional members of the Obligated Group or the Combined Group.

Phoebe Putney Health System, Inc.

The Parent is a non-profit corporation duly organized and existing under the laws of the State of Georgia, determined by the IRS to be an organization as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and not to be a private foundation as defined on Section 509 of the Code.

Phoebe Putney Memorial Hospital, Inc.

PPMH is a non-profit corporation duly organized and existing under the laws of the State of Georgia. The Hospital began its operations in 1911 and is the oldest hospital authority owned facility in the State of Georgia. Until December 1, 1991, the Hospital was operated by the Authority. Effective December 1, 1991, pursuant to the terms of the Lease, the Authority transferred and assigned to PPMH all of the Hospital's intangible assets and leased to PPMH the Hospital, together with the site on which it is located and all other real property owned by the Authority and all improvements and tangible property owned by the Authority and situated thereon. Concurrently therewith, PPMH assumed all of the obligations of the Authority with respect to the Hospital and Hospital assets.

PPMH was determined by the IRS on May 23, 1991 to be an organization as described in Section 501(c)(3) of the Code and not to be a private foundation as defined on Section 509 of the Code. PPMH was subsequently reorganized as a controlled affiliate of the Parent, which has received a similar determination letter from the IRS as to its Section 501(c)(3) status. By private letter ruling dated July 29, 1992, the IRS ruled that the reorganization did not adversely affect the tax-exempt status of PPMH.

Pursuant to the Lease, the Authority has assigned substantially all of its assets other than the Lease to PPMH, which, pursuant to the terms of the Lease, has primary responsibility for operation and management of the Hospital. PPMH has delegated the responsibility and authority to conduct their day-to-day business affairs of the Hospital to the President and Chief Executive Officer of PPMH and a management team.

Phoebe Worth Medical Center, Inc.

Phoebe Worth Medical Center, Inc. ("PWMC"), formed in 2002, is organized as a Georgia non-profit corporation, which has been determined to be exempt from federal income tax as an organization described under Section 501(c)(3) of the Code. PWMC was organized to acquire Baptist Worth Hospital, now known as "Phoebe Worth Medical Center, a 49-bed acute care hospital located in Sylvester, Georgia, approximately 20 miles from the Hospital. The acquisition of Phoebe Worth Medical Center was financed with a portion of the proceeds of the Series 2002 Certificates. Phoebe Worth Medical Center is designated as a critical access hospital by the State of Georgia Department of Community Health.

Phoebe Sumter Medical Center, Inc.

On March 1, 2007, Sumter Regional Hospital was destroyed by a tornado and much of the medical community was forced to leave. In October 2008, PPHS responded to a request from the Americus and Sumter County Hospital Authority to be a partner in rebuilding the physician community and the Sumter hospital. Effective July 1, 2009, the Americus and Sumter County Hospital Authority entered into a forty year lease and transfer agreement with PSMC for all the assets, management and governance of Sumter Regional Hospital. Sumter Regional Hospital was renamed PSMC. PSMC opened in December 2011. PSMC is currently a 76-bed facility, and its campus has three additional

medical buildings housing physician practices and clinics for oncology and surgery, women's and family health, orthopedics and wellness.. Services currently available are: medical, surgical, pediatrics, rehabilitation, ob/labor & delivery, coronary care, outpatient surgery, emergency services, hospice care, cardiopulmonary, radiology, physical therapy, oncology, hematology and rheumatology services, and wound care. Phoebe Sumter employs over 400 employees.

Phoebe North, Inc.

On December 15, 2011, the Authority purchased from an affiliate of Hospital Corporation of America ("HCA") the assets of the Palmyra Park Hospital, a 248-bed general acute care hospital located in Albany, Georgia. Commencing December 16, 2011, Phoebe North, Inc. operated the former Palmyra Park Hospital facility under a Management Services Agreement as Phoebe North and continued to do so until August 1, 2012, at which time a new lease was entered into between PPMH and the Authority, for the operation of the main campus as well as the Phoebe North campus. The following paragraph describes pending litigation relating to the acquisition of the former Palmyra Park Hospital.

Federal Trade Commission, Petitioner vs. Phoebe Putney Health System, Inc., Phoebe Putney Memorial Hospital, Inc., Phoebe North, Inc., HCA, Inc., Palmyra Park Hospital, Inc., Hospital Authority of Albany-Dougherty County. Case No 11-1160, in the Supreme Court of the United States. In December, 2010, PPHS presented the Authority with a plan to acquire the assets of Palmyra Park Hospital, an HCA affiliated entity in Dougherty County, Georgia, with funds to be provided by PPHS and to lease such assets to a nonprofit PPHS subsidiary. The terms of the lease would be essentially the same as the lease arrangement with the Authority by which PPMH operates Phoebe Putney Memorial Hospital. The Authority approved the purchase of the assets of the Palmyra Park Hospital facility and approved its temporary management by a subsidiary of PPHS. Plans proceeded toward the closure of the acquisition until the Federal Trade Commission ("FTC") expressed an interest in the case and asked for certain information to be produced and asked for a delay in proceeding with the transaction. The Authority, PPMH and PPHS cooperated with the FTC and agreed to several delays in closing date upon request of the FTC. With a new scheduled date for the acquisition, on April 19, 2011, the FTC initiated an administrative proceeding to determine whether the Authority's purchase and subsequent lease would substantially lessen competition or tend to create a monopoly in the market in violation of certain alleged provisions of the Anti-Trust laws. Pursuant to that action, the FTC brought an action on April 20, 2011, to obtain a preliminary injunction against the Authority, PPMH and PPHS. While a temporary restraining order was entered to allow the District Court to look into the matter, respondents moved the District Court to dismiss the FTC's complaint, asserting that the "State-Action Doctrine" immunized respondents from any anti-trust liability and enforcement by the FTC in that the Authority is the actor in the transaction and is a creature of the State of Georgia. The District Court agreed and dismissed the FTC's complaint with prejudice. The FTC appealed the Order of Dismissal to the United States Court of Appeals for the Eleventh Circuit which took the case on an expedited basis, and heard argument in October, 2011. On December 9, 2011, the Eleventh Circuit entered judgment affirming the ruling of the District Court and the dismissal of the FTC action and, citing United States Supreme Court precedent as well as Eleventh Circuit Court of Appeals precedent, affirmed that the State Immunity Doctrine applied and that the FTC was not entitled to proceed with its enforcement action. On December 15, 2011, the acquisition was concluded and the Authority purchased the assets of the Palmyra Park Hospital facility. Thereupon, on December 16, 2011, PPMH operated the former Palmyra Park Hospital facility under a Management Services Agreement as Phoebe North and continued to do so until August 1, 2012, at which time a new lease was entered into between PPMH and the Authority, for the operation of the main campus as well as the Phoebe North campus, all as one hospital called Phoebe Putney Memorial Hospital. Meanwhile, in March, 2012, the FTC filed a Petition for Certiorari with the United States Supreme Court asking the Court to accept the case and to review the applicable law as imposed by the District Court and the Eleventh Circuit Court of Appeals. In June, 2012, the Supreme Court granted a Writ of Certiorari and agreed to review the case in its Fall, 2012 Term. As of this writing, briefing is being done in the Supreme Court by the parties, and oral argument is anticipated in November 2012 with a decision likely in the winter or spring, 2013. PPHS's board as well as PPMH's board, together with the Authority board, all believe substantial legal precedent supports the decisions made to move forward with the acquisition and lease, and that both the clear articulations of the law by the Eleventh Circuit Court of Appeals and by the United States Supreme Court strongly support the dismissal of the FTC's complaint and the transaction as it has proceeded. An affirmance of the Eleventh Circuit opinion is expected.

Historical and Proforma Debt Service Coverage of PPMH

In the Master Indenture, the Obligated Group agrees, collectively, covenants and agrees to, and to cause their Restricted Affiliates to, fix, charge, and collect, or cause to be fixed, charged, and collected, for the use of their Facilities and for the services furnished or to be furnished by them, sufficient to produce in each Fiscal Year Income Available for Debt Service which is in an amount at least equal to 110% of the Maximum Annual Debt Service Requirement for such

Fiscal Year. See “_____” in Appendix C hereto for the definitions of Income Available for Debt Service and Maximum Annual Debt Service.

The following table sets forth, for the fiscal years ended July 31, 2010, 2011 and 2012, the consolidated revenue of PPHS available to pay debt service. The table also indicates the extent to which such consolidated available revenues for debt service would provide coverage for pro forma maximum annual debt service on the Series 2012 Bonds and all other outstanding long-term indebtedness of PPHS.

	2010	2011	2012
	(Dollars in Thousands)		
Revenue and gains in excess of expenses and losses from continuing operations	\$ 76,554	\$ 74,777	\$ 7,394
Depreciation and amortization	31,420	29,387	33,509
Interest expense	4,666	5,593	5,680
Other service charges on funded debt			
Excluding			
Net unrealized (gains) losses on investments			
Loss on extinguishment of long-term debt			
Available revenues for debt service	<u>\$ 112,640</u>	<u>\$ 109,757</u>	<u>\$ 46,583</u>
Actual annual debt service requirements on the outstanding long-term indebtedness	\$ -	\$ -	\$ -
Historical coverage of the actual debt service on the outstanding long-term indebtedness			
Maximum pro forma annual debt service requirements on the Series 2012 Bonds and outstanding long-term indebtedness	\$ -	\$ -	\$ -
Historical pro forma coverage of maximum pro forma annual debt service requirements on the Series 2012 Bonds and outstanding long-term indebtedness			

THE SYSTEM

General Description of the Hospital

The Hospital is a general acute care hospital facility having 461 licensed beds located in Albany, Georgia, the fifth largest city in the State, located approximately 170 miles south of the city of Atlanta, Georgia. The Hospital is the largest hospital in southwest Georgia. Currently, approximately 410 beds are staffed and operated of which 372 are acute care beds and 38 are psychiatric beds. The Hospital Premises the other real or personal property currently owned or leased by PPMH (herein collectively, the “PPMH Facilities”) include, in addition to the Hospital, various health care related facilities servicing the Hospital and the community. These facilities include, in part, (i) a Woman’s Health Centre, which provides women’s and children’s services including obstetrics, gynecology, pediatrics, neonatology and extensive family and community education services, (ii) the Light House facility, which provides temporary lodging for cancer patients and their families, (iii) a community hospice facility, (iv) related health, administrative and marketing facilities, (v) a recently completed professional office building, (vi) an urgent care/occupational medicine center, and (vii) eight outlying clinics in nearby towns.

The Hospital provides a full range of medical and educational services including: comprehensive cardiac services (catheterization, open heart surgery, angioplasty, mobile echocardiography and related rehabilitation services), a special oncology unit including bone marrow transplant services and radiation therapy department, a neonatal intensive care unit, a regional emergency center, neurodiagnostics services (ambulatory and 24-hour sleep-deprivation electroencephalograms, electronystagmograms, audiology and sleep studies), outpatient surgery, cataract surgery,

neurology, orthopedics, urology, renal dialysis, psychiatry, physical therapy, respiratory care, radiology, digestive diseases, a magnetic resonance imaging center, industrial health services, home care, hospice, urgent care, neonatal services and a mobile renal lithotripter.

Lease

On December 11, 1990, the Authority and PPMH entered into a Lease and Transfer Agreement, dated December 10, 1990, and subsequently the same has been as supplemented and amended several times, most recently by an Amended and Restated Lease and Transfer Agreement, dated as of August 1, 2012 (collectively the "Lease"), under the terms of which the Authority has leased the Hospital to PPMH for a term of up to 40 years, which expires on July 31, 2052, unless earlier terminated. Under the terms of the Lease, the Authority transferred to PPMH all of its assets for use in the operation of the Hospital, and PPMH assumed all operating and other liabilities of the Authority and agreed, among other things, (1) to operate the Hospital for the benefit of the general public and (2) to provide emergency treatment facilities and to deny no person emergency care due to inability to pay. The Lease provides that it may be terminated by reason of default under the Lease or upon the expiration of the lease term. Events of default under the Lease include failure by PPMH to make required payments under the Lease, material breach of a covenant by PPMH, bankruptcy of PPMH, and abandonment by PPMH of the Hospital. Upon expiration or earlier termination of the Lease, PPMH is obligated to vacate and surrender possession to the Authority of the leased property and assets used in the operation of the Hospital as then existing, and all assets of PPMH will revert to and become the property of the Authority. See "INVESTMENT CONSIDERATIONS - Termination of Lease" herein.

TAX EXEMPTION AND OTHER TAX MATTERS

Opinion of Bond Counsel

Certain legal matters incident to the authorization and issuance of the Series 2012 Certificates are subject to the approval of McKenna Long & Aldridge LLP, Atlanta, Georgia, Bond Counsel, whose approving opinion will be available at the time of delivery of the Series 2012 Certificates. It is anticipated that the approving opinion will be in substantially the form attached to this Official Statement as Appendix D.

The Internal Revenue Code of 1986, as amended (the "Code"), contains a number of requirements and restrictions that apply to the Series 2012 Certificates. These include restrictions on investments, requirements for periodic payment of arbitrage profits to the United States, requirements regarding the use of the Series 2012 Certificate proceeds, requirements regarding the nature and use of the facilities financed or refinanced with the Series 2012 Certificate proceeds, and other restrictions and requirements. The Authority and PPMH have covenanted to comply with all requirements of the Code that must be satisfied in order for the interest on the Series 2012 Certificates to be excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements and restrictions may cause interest on the Series 2012 Certificates to become subject to federal income taxation, retroactive, in some cases, to the date of issuance of the Series 2012 Certificates.

In the opinion of Bond Counsel, under existing law, interest on the Series 2012 Certificates (including any accrued original issue discount) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is to be taken into account in determining adjusted current earnings. See "-Other Collateral Federal Income Tax Consequences" below. This opinion is subject to the condition that the Authority and PPMH comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2012 Certificates in order that the interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of the interest on the Series 2012 Certificates in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series 2012 Certificates.

In concluding that interest on the Series 2012 Certificates is excluded from gross income for federal income tax purposes, Bond Counsel will rely, as to questions of fact material to its opinion, upon the following items, without undertaking to verify any of them by independent investigation: (a) certified proceedings and other certifications of public officials furnished to it, (b) certifications furnished to it by or on behalf of PPMH and the Authority (including certifications made in the tax certificate of PPMH), and (c) representations of the Authority and PPMH contained in such proceedings and in documents delivered in connection with the issuance of the Series 2012 Certificates. If certain of these items are incorrect, interest on the Series 2012 Certificates may become included in gross income for federal income tax purposes retroactive, in some cases, to the date of issuance of the Series 2012 Certificates.

Original Issue Discount. The Series 2012 Certificates maturing on December 1, 20__ and December 1, 20__ (the "Discount Certificates") have been sold to the public at an original issue discount (sometimes referred to as "OID"). The aggregate amount of OID on a Discount Certificate is the excess of its stated redemption price at maturity, which is the principal amount of the Discount Certificate, over its initial offering price to the public (excluding underwriters and other intermediaries), which is the price at a substantial amount of that maturity of the Discount Certificates was sold. The aggregate amount of OID on the Discount Certificates is apportioned among consecutive accrual periods each of six months' duration except that the first accrual period commences on the issue date of the Discount Certificates and ends on June 1, 2013. Original issue discount on the Discount Certificates accrues among accrual periods on a constant yield-to-maturity basis, with the amount of accrued OID allocable to each accrual period equaling (i) the sum of issue price of such Discount Certificate and the amounts of OID that accrued in all prior accrual periods multiplied by (ii) the yield to maturity of such Discount Certificate (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such Discount Certificate during such accrual period. The amount of accrued OID for any accrual period will be considered to be received ratably on each day of the accrual period.

As it so accrues, OID will be excluded from gross income for federal income tax purposes, will not be treated as an item of tax performance for purposes of the federal alternative minimum tax, and will increase the holder's basis in such Discount Certificate. In general, proceeds received from the sale, exchange, redemption or payment of a Discount Certificate in excess of the holder's adjusted basis (its cost of purchase as increased by the amount of OID that accrued while the holder owned the Discount Certificates), will not be treated as interest but as gain from the sale or exchange of such Discount Certificate. Owners who purchase Series 2012 Certificates, including Discount Certificates other than in the initial offering at the initial offering price will be subject to additional rules. As such, owners should consult their own tax advisors with respect to the consequences of owning Series 2012 Certificates, including the effect of such ownership under applicable state and local laws.

Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the Series 2012 Certificates. See "-Other Collateral Federal Tax Consequences" below for a general discussion of other selected federal tax consequences associated with ownership of the Series 2012 Certificates.

State of Georgia Income Taxation

In the further opinion of Bond Counsel, the interest on the Series 2012 Certificates is exempt from State of Georgia income taxation, although the Series 2012 Certificates and the interest thereon may be included in the measure of State of Georgia estate and inheritance taxes and of certain State of Georgia corporate excise and franchise taxes. Bond Counsel has not opined as to whether interest on the Series 2012 Certificates is subject to state or local income taxation in jurisdictions other than Georgia; interest on the Series 2012 Certificates may or may not be subject to state or local income taxation in jurisdictions other than Georgia under applicable state or local laws. Each purchaser of the Series 2012 Certificates should consult its own tax advisor regarding the tax-exempt status of the interest on the Series 2012 Certificates in a particular state or local jurisdiction other than Georgia.

Pending Federal Legislation

From time to time, legislative proposals may be made that, if enacted into law, would eliminate the exclusion of interest on tax-exempt bonds from gross income for federal income tax purposes or otherwise would diminish the advantages of ownership of tax-exempt bonds for one or more categories of taxpayers, including any such proposals that, by their terms, would be effective with respect to tax-exempt bonds issued or purchased prior to enactment of the proposal.

On September 12, 2011, President Obama submitted to Congress a legislative proposal entitled the "American Jobs Act of 2011" (the "Jobs Act"), which was introduced as S. 1549 in the United States Senate on September 13, 2011. If enacted in its current form, a provision in the Jobs Act would increase by a calculated amount the amount of federal income tax liability or federal alternative minimum tax liability for individual taxpayers with (1) *adjusted gross incomes* exceeding certain thresholds, namely \$250,000 for taxpayers filing a joint return, \$225,000 for heads of household, \$125,000 for married individuals filing separate returns, and \$200,000 for other individual taxpayers and (2) *adjusted taxable incomes* exceeding a different, calculated threshold, namely the maximum amount of taxable income that a taxpayer (based on his or her status) could receive that would be taxed at marginal federal income tax rates of less than 36%. In determining whether a taxpayer could be subjected to this complex provision, his or her *adjusted taxable income* would first be increased by the amount of any interest on tax-exempt bonds as well as by certain other adjustments. This provision of the Jobs Act would be effective for taxable years beginning on or after January 1, 2013, but could also adversely affect owners of tax-exempt bonds issued or purchased before that date, including the owners of the Series

2012 Certificates, by preventing them from realizing the full current benefit of the tax status of interest on such bonds and by affecting the market price for and marketability of such bonds in the secondary market. No assurance can be given whether this provision of the Jobs Act or other provisions of a like nature will be enacted into law.

Other Collateral Federal Tax Consequences

Amortizable Bond Premium. The Series 2012 Certificates maturing on December 1, 20__ and December 1, 20__ were sold to the public with amortizable bond premium (collectively, the “Premium Certificates”). The aggregate amount of amortizable bond premium equals the excess of the owner’s cost basis, initially the purchase price of bonds, over the principal amount thereof. Amortizable bond premium accrues on a constant yield-to-maturity basis generally over the term of bonds. For federal income tax purposes, amortizable bond premium reduces an owner’s adjusted basis in bonds as it accrues. However, no deduction is allowable for the amortizable bond premium in the case of bonds the interest on which is excludable from gross income, such as the Premium Certificates. Proceeds received from the sale, exchange, redemption or payment of a Premium Certificate in excess of the owner’s adjusted basis as so reduced will not be treated as interest on the Premium Certificates but generally as gain from the sale or exchange of such Premium Certificate.

Other Collateral Federal Tax Consequences. Ownership of the Series 2012 Certificates may result in collateral federal tax consequences to certain taxpayers, including, without limitation, corporations, financial institutions and other taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2012 Certificates, property and casualty insurance companies, certain recipients of Social Security or railroad retirement benefits, foreign corporations with branches in the United States, certain Subchapter S corporations, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2012 Certificates and taxpayers subject to backup withholding. The following is a general description of certain of these consequences:

1. Interest on the Series 2012 Certificates may be included in the adjusted current earnings of any entity owning Series 2012 Certificates which is treated as a corporation for federal income tax purposes (other than any S corporation, regulated investment company, real estate investment trust or REMIC), and such a corporation may therefore be required to include as an adjustment in its calculation of alternative minimum taxable income seventy-five percent of the excess of adjusted current earnings over alternative minimum taxable income (determined without regard to this adjustment and prior to reduction for certain net operating losses).

2. No deduction is allowable for interest on indebtedness incurred or continued to purchase or carry the Series 2012 Certificates or, in the case of a financial institution, that portion of the owner’s interest expense allocated to interest on the Series 2012 Certificates; however, certain *de minimis* exceptions may be applicable for owners of Series 2012 Certificates other than financial institutions.

3. Property and casualty insurance companies are required to reduce the amount of their deductible underwriting losses by fifteen percent of their amount of tax-exempt interest, including interest on the Series 2012 Certificates. If the amount of this reduction exceeds the amount otherwise deductible as losses incurred, such excess may be includable in income.

4. Certain recipients of Social Security benefits and railroad retirement benefits will be required to include a portion of such benefits within gross income by reason of receipt or accrual of interest on the Series 2012 Certificates.

5. A branch-level tax is imposed on certain earnings and profits of foreign corporations with branches in the United States, and interest on the Series 2012 Certificates may be included in the determination of such domestic branches’ taxable base on which this tax is imposed.

6. Passive investment income, including interest on the Series 2012 Certificates, may be subject to federal income taxation for any Subchapter S corporation that has Subchapter C earnings and profits at the close of the taxable year, if greater than twenty-five percent of the gross receipts of such Subchapter S corporation is passive investment income.

7. Payments of interest on the Series 2012 Certificates are subject to reporting to the Internal Revenue Service (the “IRS”) and to payees on Form 1099-INT (or successor form). In addition, the Certificate Trustee (or its agent) may be required to withhold federal tax (referred to as “backup withholding”) from any such payment on a Series 2012 Certificate, which is currently imposed (through 2012) at the rate of twenty-eight percent of the gross amount of

any such payment, if (i) the owner fails to furnish the Certificate Trustee (or its agent) with his or her taxpayer identification number (“TIN”), the accuracy of which has been certified under the penalty of perjury, (ii) the Certificate Trustee (or its agent) has been notified by the IRS that the owner of the Series 2012 Certificate has supplied an incorrect TIN, (iii) the IRS has notified the Certificate Trustee (or its agent) that the owner of the Series 2012 Certificate has failed properly to report certain income to the IRS, or (iv) when required to do so, the owner of the Series 2012 Certificate fails to certify under the penalty of perjury that he or she is not subject to backup withholding.

The foregoing is not intended as a detailed or comprehensive description of all possible consequences of purchasing or holding the Series 2012 Certificates. Persons considering the purchase of the Series 2012 Certificates should consult with their tax advisor as to the consequences of buying or holding the Series 2012 Certificates in their particular circumstances.

LEGAL MATTERS

Pending Litigation

The Obligated Group. In the opinion of Thomas S. Chambless, Senior Vice President and General Counsel of PPMH, no material litigation is pending or threatened against the Parent or any affiliate of the Parent, including PPMH, not adequately covered by insurance, that would materially adversely affect the financial condition of the Parent, PPMH, or the Obligated Group. See “PHOEBE PUTNEY HEALTH SYSTEM – Litigation and Regulatory Matters” in Appendix A hereto.

The Authority. There is no litigation now pending or, to the knowledge of the Authority, threatened against the Authority which restrains or enjoins the issuance or delivery of the Series 2012 Certificates, the provision of the security for the payment of the Series 2012 Certificates, or the use of the proceeds of the Series 2012 Certificates or which questions or contests the validity of the Series 2012 Certificates or the proceedings and authority under which they are to be issued. Neither the creation, organization, or existence of the Authority, nor the title of the present members or other officials of the Authority to their respective offices, is being contested or questioned. There is no litigation pending or, to the knowledge of the Authority, threatened which in any manner questions the right of the Authority to adopt the Bond Resolution, to execute, deliver, and perform the Certificate Indenture, or the Loan Agreement or to secure the Series 2012 Certificates in the manner provided in the Certificate Indenture.

Validation Proceedings

The State of Georgia instituted proceedings in the Superior Court of Dougherty County, Georgia to validate the Series 2012 Certificates and the security therefor. The State of Georgia was the plaintiff in the proceeding, and the Authority and the members of the Obligated Group were the defendants. A final judgment confirming and validating the Series 2012 Certificates and the security therefor was entered on November __, 2012. Under Georgia law, the judgment of validation is forever conclusive against the Authority and the members of the Obligated Group upon the validity of the Series 2012 Certificates and the security therefor.

Legal Matters

Certain legal matters will be passed upon for the Authority by its counsel, Perry & Walters, LLP, Albany, Georgia, for the Obligated Group by its counsel, The Baudino Law Group, Des Moines, Iowa, and Thomas S. Chambless, its Senior Vice President and General Counsel, and for the Underwriters by their counsel, Peck, Shaffer & Williams LLP, Atlanta, Georgia. Hammond Hanlon Camp LLC, Atlanta, Georgia, has been employed as financial advisor to the Obligated Group in connection with the issuance of the Series 2012 Certificates.

Closing Certificates

At closing of the sale of the Series 2012 Certificates by the Underwriters, the Authority, and PPMH will each deliver to the Underwriters a certificate (1) that no litigation is pending or threatened against it which would have a material effect on the issuance or validity of the Series 2012 Certificates or the security for the Series 2012 Certificates, and (2) that the information contained in this Official Statement relating to it does not contain any misstatement of a material fact and does not omit to state any material fact necessary to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

MISCELLANEOUS

Ratings

[Name of Rating Agency] has assigned a long-term rating of “___” to the Series 2012 Certificates. The rating agency may have obtained and considered information and material which has not been included in this Official Statement. Generally, rating agencies base their ratings on information and material furnished to them and on investigations, studies, and assumptions made by them. The ratings reflect only the views of the rating agency, and an explanation of the significance of each rating may be obtained from the rating agency. There is no assurance that [either or both of] such ratings will remain unchanged for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the liquidity and market price of the Series 2012 Certificates. A further explanation of the significance of each rating may be obtained from [Name of Rating Agency] at _____, New York, New York _____.

Underwriting

The Series 2012 Certificates will be purchased for re-offering at negotiated sale by Merrill Lynch Pierce Fenner & Smith, Inc., Morgan Stanley & Co., LLC, and Raymond James & Associates, Inc. (collectively, the “Underwriters”) from the Authority at an aggregate purchase price \$ _____, equal to the par amount of the Series 2012 Certificates [less net original issue discount of \$ _____ and less Underwriters discount of \$ _____, _____ percent of the principal amount of the Series 2012 Certificates. The Underwriters will receive no fee (other than the anticipated profits described in the preceding sentence) from the Authority for underwriting the Series 2012 Certificates. The purchase contract between the Authority and Merrill Lynch Pierce Fenner & Smith, Inc., as representative on behalf of itself and the other Underwriters, provides that the Underwriters are obligated to purchase all of the Series 2012 Certificates, if any are purchased, but such obligation will be subject to various conditions contained in the purchase contract.

The Underwriters intend to offer the Series 2012 Certificates to the public initially at the offering prices set forth on the cover of this Official Statement, which offering prices may subsequently be changed from time to time by the Underwriters without any requirement of prior notice. The Underwriters have reserved the right to permit other securities dealers who are members of the National Association of Securities Dealers, Inc. to assist in selling the Series 2012 Certificates. The Underwriters may offer and sell the Series 2012 Certificates to certain dealers (including dealers depositing Series 2012 Certificates into investment trusts) at prices lower than the public offering prices set forth on the cover of this Official Statement or otherwise allow concessions to such dealers who may re-allow concessions to other dealers. Any discounts or commissions that may be received by such dealers in connection with the sale of the Series 2012 Certificates will be deducted from the Underwriters’ underwriting profits.

On April 2, 2012, Raymond James Financial, Inc. (“RJF”), the parent company of Raymond James & Associates, Inc. (“Raymond James”), acquired all of the stock of Morgan Keegan and Company (“Morgan Keegan”) from Regions Financial Corporation. Raymond James and Morgan Keegan are each registered broker-dealers. Both Raymond James and Morgan Keegan are wholly owned subsidiaries of RJF and, as such, are affiliated broker-dealer companies under the common control of RJF, utilizing the trade name “Raymond James | Morgan Keegan” that appears on the cover of this Official Statement. It is anticipated that the businesses of Raymond James and Morgan Keegan will be combined.

Raymond James has entered into a distribution arrangement with Morgan Keegan for the distribution of the Series 2012 Certificates at the original issuer prices. Such arrangement generally provides that Raymond James will share a portion of its underwriting compensation or selling concession with Morgan Keegan.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for Authority and the Combined Group for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for

the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority and the Combined Group.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Financial Advisor

The Obligated Group has employed Hammond Hanlon Camp LLC, as its Financial Advisor in connection with the issuance of the Series 2012 Certificates.

Independent Auditors

The consolidated financial statements of Phoebe Putney Health Systems, Inc. as of July 31, 2011 and 2010 [2012?], and for the years then ended, included in this Official Statement as Appendix B, have been audited by Draffin & Tucker, LLP, independent auditors, as stated in their report thereon which appears in Appendix B hereto.

Certain Relationships

McKenna Long & Aldridge LLP, Bond Counsel, has represented, currently represents, and may in the future represent one or more of the Underwriters and the Master Trustee [and Certificate Trustee] in unrelated matters. Peck, Shaffer & Williams LLP has represented and may in the future represent the Master Trustee [and the Certificate Trustee] in unrelated matters. [Others that should be disclosed?]

Continuing Disclosure

In order to provide certain continuing disclosure with respect to the Series 2012 Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Rule 15c2-12"), the Obligated Group has entered into a Disclosure Dissemination Agent Agreement ("Disclosure Dissemination Agreement") for the benefit of the owners of the Series 2012 Bonds with Digital Assurance Certification, L.L.C. ("DAC"), under which the Obligated Group has designated DAC as Disclosure Dissemination Agent. The form of Disclosure Dissemination Agreement is attached as Appendix E.

The Authority has no responsibility to provide any information, now or in the future, regarding either itself or the Obligated Group.

The Obligated Group is in compliance with its obligations under Rule 15c2-12.

A breach by the Obligated Group of its disclosure obligations thereunder does not constitute a breach under the Master Indenture or the Obligations, and as such, in the event of any such breach, the only available remedy is to institute legal or equitable action to enforce Obligated Group's obligation to make the disclosures specified therein.

Additional Information

Use of the words "shall," "must," or "will" in this Official Statement in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2012 Certificates.

The delivery of this Official Statement, and its distribution and use by the Underwriters, have been duly authorized and approved by the Authority and the Obligated Group.

APPENDIX A

PHOEBE PUTNEY MEMORIAL HOSPITAL

Phoebe Putney Health System Overview

The Phoebe Putney Health System (“PPHS”) is a network of not-for-profit community hospitals, physician groups and affiliated services that provide progressive, quality health care to more than 400,000 residents in its primary, secondary and tertiary service areas covering 30 counties in Southwest Georgia.

PPHS was formed in 1991, as a non-profit corporation under Georgia law, and is the parent company of the following entities:

Phoebe Putney Health System*	Phoebe Physician Group, Inc.
Phoebe Putney Memorial Hospital, Inc.*	Phoebe Foundation, Inc.
Phoebe Worth Medical Center, Inc.	Phoebe Putney Indemnity, LLC.
Phoebe Sumter Medical Center, Inc.	Phoebe Health Partners, Inc.
Phoebe Dorminy Medical Center, Inc.	
Phoebe Putney Health Ventures, Inc. ▲	

*Part of the Obligated Group

▲ For Profit corporation

Anchored since 1911 by Phoebe Putney Memorial Hospital (“PPMH”) near downtown Albany, PPHS is the region’s leading provider of cancer, heart, obstetrical care, mental health services, emergency treatment and family medicine. PPHS has 810 licensed beds in four regional facilities, including 691 licensed beds at in Albany. PPHS also manages another 100 licensed beds within its secondary and tertiary service area. Services provide residents with a continuum of care from prevention and screening programs to advanced medicine and specialties.

True to its mission of serving all, PPHS provides nearly \$31 million in charges annually in unreimbursed charity and indigent care costs.

Historical Background

PPMH was founded by a group of community volunteers who secured an establishing donation from Judge Francis Flagg Putney in 1909. The hospital opened in 1911 with three stipulations from the benefactor: that it be built of brick to withstand fire; named for his mother; and that it treat all persons. The hospital continues to deliver that mission today.

In 1941, the Hospital Aid Association, owners and founders, recognized the need to expand services and build new facilities for the citizens of the community. They turned Phoebe Putney Memorial Hospital over to a newly created Hospital Authority of Albany and Dougherty County, the first such authority in Georgia. Under the Authority, PPMH grew, adding new facilities and services. But by 1990, regional demand for services increased, and the Authority realized it would need to restructure to deliver services beyond 12 miles outside Dougherty County. In 1991, the Authority restructured, leasing its

assets to PPMH to operate the hospital. PPHS, a parent holding corporation, was created. PPHS grew to include four rural community hospitals, two owned and two managed. Two of PPHS's six facilities are critical access hospitals, including the first one in Georgia. PPHS today operates several rural primary care practices and specialty clinics for cardiac and cancer treatment both in its facilities and through partnerships with sister not-for-profit hospitals in the region.

The Phoebe Putney Health System and Affiliated Entities (Who is Phoebe)

PPMH is the system flagship, and today includes a second free-standing facility, Phoebe North, located in Albany. The inpatient admissions approach 25,000 annually, with approximately 16,500 surgeries, 3,000 deliveries and almost 100,000 emergency center visits and 41,000 urgent care visits. Patients visit PPMH clinics nearly 575,000 times annually. PPMH offers comprehensive health care services, including inpatient adult and pediatric medical and surgical care, cancer, cardiac, adult and neonatal critical care, obstetrics, behavioral health, physical and sports medicine, outpatient surgical services, a full range of diagnostic imaging and laboratory, inpatient and outpatient rehabilitation, sleep disorders, neurological surgery, neurology, orthopedics and emergency services. PPHs also provides home health and assisted living services, as well as occupational and corporate health services and a wide range of specialty outpatient services, including occupational health, diabetes, wound care and community health outreach programs.

PPMH is also a teaching hospital and is a strong advocate for graduate medical education. It is the first off-site clinical campus for the Georgia Health Sciences University for third and fourth year medical students. PPMH also operates the Southwest Georgia Family Medicine Residency program, which was originally funded in 1993 by the Georgia General Assembly to eliminate shortages of primary care doctors in rural Georgia. The program graduates six primary care physicians annually and has been highly successful in placing more than 70 percent of those graduates in rural practices in the region and other areas of Georgia. PPMH also has a pharmacy residency program with the University of Georgia.

Community Hospitals

Phoebe Putney Memorial Hospital (Main Campus), Albany, Owned, a 443-bed facility offering comprehensive health care services in virtually every specialty and subspecialty, including cancer, heart and obstetrical care, mental health services, emergency treatment, family medicine and a 18-bed inpatient hospice center.

Phoebe Putney Memorial Hospital (North Campus), Albany, Owned, a 248-bed facility offering acute adult patient care and outpatient services, including inpatient physical rehabilitation and corporate and occupational health services.

Phoebe Worth Medical Center, Sylvester, Owned, a 25-bed critical access hospital offering a 24-hour emergency center, medical-surgical care, pediatrics and women's health services and sleep disorders.

Phoebe Sumter Medical Center, Americus, Owned, a 76-bed facility offering medical-surgical care, orthopedics, obstetrics, oncology, cardiology and emergency medicine.

Dorminy Medical Center, Fitzgerald, Managed, a 75-bed facility offering cancer, cardiology, obstetrical care, pediatrics, rehabilitation, wound care, sleep study, hospice services and surgery. Dorminy Medical Center is managed by Phoebe Dorminy Medical Center, Inc.

Southwest Georgia Regional Medical Center, Cuthbert, Managed, a 25-bed critical access hospital offering a 24-hour emergency center, primary care clinic, and an 80-bed nursing home.

Urgent Care Centers and Affiliated Services

Phoebe ConvenientCare Centers, Albany, Phoebe's two ConvenientCare centers are a cost-effective alternative to emergency room care for minor injuries and ailments such as flu, fever, burns, cuts and falls. These centers aid in keeping ED visits appropriate in levels of acuity.

Meredyth Place, Albany, is a 120,000 square-foot "health destination" offering a digestive health center, diagnostic, orthopedic and optical services in an environment featuring walking trails and healing gardens.

Phoebe East, Albany, houses a ConvenientCare center; a Corporate Health center designed to help organizations manage employee injuries and workplace productivity; the Total Life Center, which offers holistic programs for obesity, stroke, diabetes, high blood pressure, smoking, and stress-related illnesses; and a Conference Center.

Phoebe Northwest, Albany, houses a ConvenientCare center; Phoebe Physical and Sports Medicine Department, physical, and cardiac rehabilitative services; the Southwest Georgia Family Practice Residency Program; and, the Phoebe Family Care Center.

Phoebe Physician Group

The **Phoebe Physician Group** ("PPG") is an incorporated entity employing approximately 169 physicians in primary care, subspecialty and specialty practices. Staff includes 440 employees. The PPG serves PPHS in its six hospitals and numerous clinic sites throughout the region.

Phoebe Foundation, Inc.

The **Phoebe Foundation** was established to raise funds of any kind or character to be used exclusively for charitable, medical, educational and scientific purposes at or in connection with PPMH or the Hospital Authority of Albany-Dougherty County, Georgia.

Phoebe Health Partners, Inc.

Phoebe Health Partners ("PHP") was incorporated in 1995 to develop an appropriate health care delivery system for purposes of contracting with purchasers of health care services and for

the purpose of establishing, operating, and maintaining a physician-hospital organization. The PHP members consist of local area doctors and PPMH.

Phoebe Putney Indemnity, LLC

Phoebe Putney Indemnity (“PPI”) was organized August, 2006 as a single parent captive under the captive insurance laws of the state of South Carolina to insure the risks of PPHS in southwest Georgia. PPI provides general liability, professional liability, personal injury liability, advertising injury liability, contractual liability and auto physical damage coverage to PPHS.

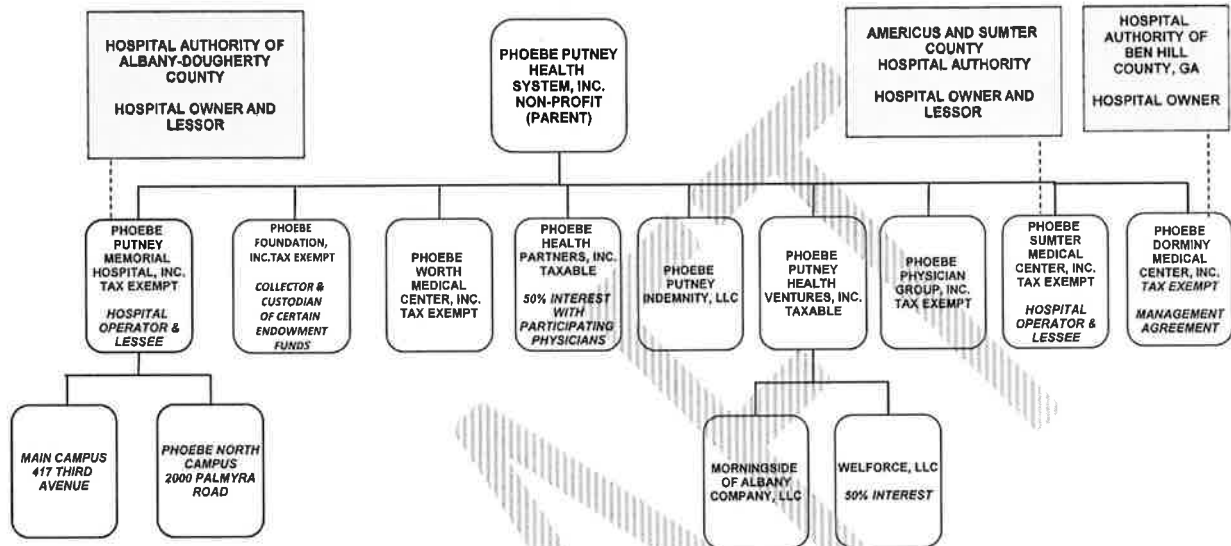
Phoebe Putney Health Ventures, Inc.

Phoebe Putney Health Ventures (“PPHV”) is a for-profit Georgia corporation that is a wholly owned subsidiary of PPHS. The corporation engages in healthcare and related activities in furtherance of the exempt purposes of PPHS and PPMH. PPHV owns Morningside of Albany, LLC, a assisted living facility with 65 beds in Albany, Ga., a Starbucks Corporation franchise with two locations in Albany, Ga., and a 50% ownership in Welforce, LLC, a health benefits Third Party Administrator (TPA) aimed at giving self-funded groups custom solutions which includes benefit plans, wellness management, self-insurance, stop-loss programs, workplace injury solutions and other solutions.

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Organizational Chart of Phoebe Putney Health System and Wholly-controlled Affiliates

PHOEBE PUTNEY HEALTH SYSTEM AFFILIATE GROUP



Updated 8-12

Obligated Group

The Obligated Group is comprised of Phoebe Putney Health System and Phoebe Putney Memorial Hospital.

Governing Bodies

As authorized by local legislation, the Hospital Authority of Albany-Dougherty County, Georgia bylaws and by resolution of the Dougherty County Commission, the members of the Hospital Authority of Albany-Dougherty County, Georgia Board of Directors are appointed by the Dougherty County Commissioners to five year terms with a two term limitation on membership, with the exception that PPMH's Chief of Staff serves a two-year term on the Authority that coincides with his or her term as Chief of Staff.

PPHS and PPMH Board of Directors are appointed by the PPHS Board of Directors based on recommendations from PPHS' Nominating Committee. Members of each of these boards serve five year terms with no limitation on service. Each board has one slot that is a two year term designated for a

member of the medical staff, and by custom the sitting Chief of Staff has usually served on PPMH's board and the immediate past Chief of Staff has served on PPHS' board.

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

BOARD OF DIRECTORS

Name and Office	Business or Profession	Current Term Expires on January
Ralph Rosenberg, Chairman	Retired	2016
Chuck Lingle, DVM, Vice-Chairman	Veterinarian-DVM	2016
John Inman, Jr. MD	Retired Physician, OB Gyn	2013
Rev. Eugene Sherman, Secretary/Treasurer	Minister	2014
Rev. H. B. Johnson	Minister	2013
Lamar Reese	Real Estate	2013
Steven Wolinski, MD	Physician, Cardiologist	2013
John Hayes	County Commissioner	2016
Fred Ghiglieri	Retired	2016

PHOEBE PUTNEY HEALTH SYSTEM, INC.

BOARD OF DIRECTORS

Name and Office	Business or Profession	Current Term Expires on January
Lemuel Griffin, Chairman	CEO, Flint River	2015
Laurence Crimmins, MD	Physician, Family Practice	2014
Anthony Parker	President/CEO, Albany Technical College	2016
John Phillips, III	President, Applied Cable Technology	2017
Lamar Moree, MD	Physician, Anesthesiology	2014
Bruce Melton	President, Oxford Construction Company	2017
Wilhelmina Hall	Retired Personnel Director, Dougherty County School System	2014
James Wood, MD	Physician, OB Gyn	2016
Will Sims, Vice Chairman	Retired President/CEO SunTrust Bank	2014
Jyotir Mehta, MD	Physician, Pulmonary, Critical Care and Internal Medicine	2013
Brad Lafevers	President CEO/Atlantic Western Transportation	2015
Joel Wernick	President/CEO, PPHS	
<u>Board Member Emeritus:</u>		
Anna McCormack	Retired Past Director, Career Development, ASC;	
Willie Hampton	Realtor	
Tom Law	Retired	

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

BOARD OF DIRECTORS

Name and Office	Business or Profession	Current Term Expires on January
John Culbreath, Chairman	Retired Superintendent of Dougherty County School System	2013
Mary Helen Dykes, Vice Chairman	Retired Owner, Bobs Candies	2014
Bernard Scoggins, MD	Physician, Internal Medicine	2013
Hasan Rizvi, MD	Physician, Nephrology	2014
Ronald Wallace	Deputy Site Manager ,Albany Operations Jacobs Advanced systems Group	2015
Mark Lane	President, Security Bank & Trust	2016
Tim Dill	Plant Manager, MillerCoors	2015
Steven Wolinsky, MD	Physician, Cardiologist	2013
Sally Whatley, PhD	Retired Superintendent of Dougherty County School System	2016
Kimberly Fields, EdD	Special Education Coordinator, Albany State University	2014
Clay Banks	General Manager, Equity Group GA Division	2014
Karen Iler	CFO, Woodford Plywood, Inc	2016
Joel Wernick	President/CEO, PPHS	

Corporate Officers of PPHS. Among the current key officers of PPHS are:

Joel Wernick has served as President/CEO of PPHS since 1988. He holds a bachelor's degree in business administration from the University of Arkansas and a master's degree in hospital administration from Xavier University in Cincinnati, Ohio. A Fellow of the American College of Healthcare Executives and director of the VHA, he also serves on the board of VHA-Georgia and the Georgia Alliance of Community Hospitals.

Joe Austin is executive vice president and chief operating officer for [?]? and has more than 25 years of diverse experience in health care. Before joining PPMH, he was chief executive officer at North Fulton Regional Hospital in Roswell, Ga., and served as the chief executive officer for the Huntsville Hospital System for more than 12 years. He earned a bachelor's degree in psychology and a master's degree in business administration from the University of Alabama.

Kerry Loudermilk is a certified public accountant and senior vice president and chief financial officer at PPHS. He has more than 25 years of experience in health care and more than 20 years as chief financial officer in large, community-based healthcare organizations. He is a diplomate of the American College of

Healthcare Executives and a member of the Healthcare Financial Management Association. He is active in State and National VHA CFO organizations. He is a graduate of Georgia Southern College and earned an MBA from the University of Southwestern Louisiana in Lafayette, La. He also serves on the Phoebe Sumter Medical Center, PPG and PPHV boards.

Tommy Chambless is senior vice president and general counsel for PPHS. He has 40 years' experience in the private practice of law, a decade of volunteer service on PPHS' board and 16 years service in the Georgia House of Representatives. Prior to joining PPHS, he retired as senior partner at Watson, Spence, Lowe & Chambless, LLP, where he was a trial attorney. A graduate of the University of Georgia School of Law and Emory University, he is a member of the Dougherty Circuit Bar Association, the State Bar of Georgia, the American Bar Association, the American Health Lawyers Association and a Fellow of the Lawyers Foundation.

Bob LaGesse is senior vice president of physician practices at PPHS, Phoebe. Prior to joining PPHS, he was vice president for physician operations at HCA Healthcare's Healthcare's Delta Division in New Orleans, La., and spent 21 years in the Air Force Medical Service. He served at Brooks Air Force Base, San Antonio, Tx., where he retired as assistant chief of patient administration for all Air Force Health System Facilities. He received a bachelor's degree in business administration from Wayland Baptist University and a master's degree in management from Troy University.

Dr. Rich Bowe is senior vice president of physician practices at PPHS and has been an anesthesiologist with Albany Anesthesia Associates, PC for more than 20 years. He previously served on PPMH's board of directors. He holds a bachelor's degree in biology from the University of Missouri Kansas City, where he also earned his medical degree. He served his internship in internal medicine, completed his anesthesia residency and served as chief resident at Dartmouth-Hitchcock Medical Center in New Hampshire. He is board certified by the American Board of Anesthesiology.

Tim Trottier is senior vice president of regional operations at PPHS. He holds a bachelor's degree of business administration from Seattle University and a master's degree in business administration from Oklahoma City University. Prior to joining PPHS, he was the CEO for Easton Hospital, Easton, PA. Prior to this he was a hospital CEO for Health Management Associates at 4 of their hospitals.

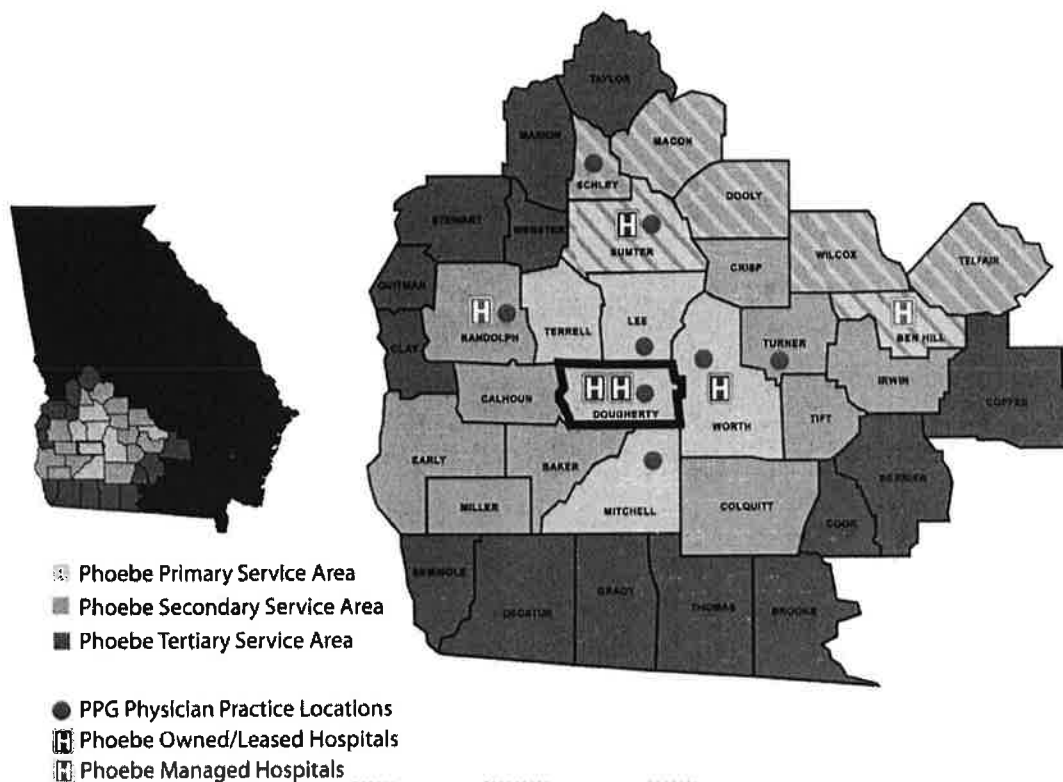
Tom Sullivan is senior vice president of strategy and development at PPHS. He has been with PPHS for 18 years, serving in various roles with his most recent being as executive director for the Phoebe Foundation. He is a graduate of the University of Georgia and Georgia Southwestern University. He earned a certificate in Competitive Marketing Strategy from The Wharton School Executive Education Program.

Dave Baranski is a senior vice president and chief human resource officer at PPHS. A native of Ohio, he has more than 25 years experience in human resources in both industry and healthcare. He holds a master's degree from Troy University and a bachelor's degree in human resource management from Lourdes College and an associate's degree in nursing science from The Michael C. Owens College of Nursing. He is president-elect of the Georgia Society of Health Care Human Resource Administration and

serves as a board member of the Southwest Georgia Area Health Education Center (AHEC), the Flint RiverQuarium, and a member of the Lee County Schools Career Advisory Board.

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Location of Facilities



System Facilities and Operations

Phoebe Putney Memorial Hospital

For over 100 years, PPMH's Board of Directors, administrators, physicians, healthcare professionals and supporting staff have continued to carry out Judge Putney's original mission of health care: to serve all patients. This not-for-profit, 443-bed, tertiary care hospital provides Albany and Southwest Georgia with advanced medical treatments and experts in virtually all specialties and subspecialties. PPMH's comprehensive healthcare programs include oncology, cardiac and neonatal services.

In 2009, PPMH built its second medical tower, which now houses the region's premier Cancer Center. PPMH's Cancer Center holds several prestigious accreditations, including designations by the Commission on Cancer, National Accreditation for Breast Centers and the American College of Radiology (breast center of excellence) and the American College of Surgeons. It is one of the busiest centers in the Southeast, treating more than 1,200 new cases each year.

PPMH cardiac patients also receive the best available treatment through a continuum of care, from prevention and emergency treatment to complex cardiac surgery and community-based outreach and

support. In PPMH's new Endovascular Suite, cardiovascular surgeons perform specialized cardiac care, including carotid artery stenting. PPMH is one of few hospitals in the state that offers electrophysiology.

Mothers and their babies also benefit from cutting-edge technologies, that when combined with PPMH's experienced professionals, ensure the safest delivery of newborns. PPMH is one of six state-designated Regional Perinatal Centers, provides quality care for Southwest Georgia's tiniest patients with its Neonatal Intensive Care Unit, where premature and critically ill newborns receive the advanced medical care they need to thrive. The NICU is licensed for 27 beds.

In addition, PPMH's cutting-edge technologies include the da Vinci Robotics Surgical System, the first in South Georgia, the first TomoTherapy unit in Georgia (a radiation machine that can treat malignant tumors with more precision), Southwest Georgia's first fixed PET/CT unit, digital mammography, and Albany's first open, high-field MRI machines.

[Narrative needed on North Campus]

PPMH is nationally recognized for innovative community health programs and services. The honors include the American Hospital Association's prestigious Foster G. McGaw Prize, the American Hospital Association Nova Award for teen pregnancy prevention programs, and numerous VHA awards. PPMH was the first VHA hospital to win three leadership awards for community health programs, clinical excellence and supply chain management.

PPMH employs more than 3,900 employees including physicians, nurses and staff.

Phoebe Sumter Medical Center

On March 1, 2007, Sumter Regional Hospital was destroyed by a tornado and much of the medical community was forced to leave. In October 2008, PPHS responded to a request from the Americus and Sumter County Hospital Authority to be a partner in rebuilding the physician community and the Sumter hospital. Effective July 1, 2009, the Americus and Sumter County Hospital Authority entered into a forty year lease and transfer agreement with Phoebe Sumter Medical Center, Inc. ("PSMC") for all the assets, management and governance of Sumter Regional Hospital. Sumter Regional Hospital was renamed Phoebe Sumter Medical Center. PSMC opened its new state-of-the-art facility that December 2011.

PSMC is currently a 76-bed facility, and its campus has three additional medical buildings housing physician practices and clinics for oncology and surgery, women's and family health, orthopedics and wellness.. Services currently available are: medical, surgical, pediatrics, rehabilitation, ob/labor & delivery, coronary care, outpatient surgery, emergency services, hospice care, cardiopulmonary, radiology, physical therapy, oncology, hematology and rheumatology services, and wound care.

Phoebe Sumter employs over 400 employees.

Phoebe Worth Medical Center

Phoebe Worth Medical Center ("PWMC") was purchased by PPHS in 2001, resulting in significant growth

and expansion, increased services and aesthetic improvements at the Worth County hospital. PPHS' purchase of the former Georgia Baptist-owned hospital, which had suffered significant operating losses, increased the rural Center's level of services and improved the quality of health care and access to care in this community. It also raised the Center's financial standing and improved physician relations and customer service at the facility.

PWMC became a Critical Access Hospital in September, 2002. PWMC offers a complete line of medical services including a 24-hour emergency center, medical-surgical care, pediatrics, wound care, women's health, swing bed services and more. PWMC combines the innovations of a progressive health care system with personalized care in a hometown setting.

As a member of PPHS, PWMC has access to highly-trained physicians, dietary services, financial management experts, administrators and human resources professionals - health care amenities that the hospital did not previously have. PWMC employs more than 200 and is the largest employer in Worth County.

Southwest Georgia Regional Medical Center

PPHS entered into a management services agreement with the Hospital Authority of Randolph County to manage the operations of the hospital and nursing home in February, 1999. Southwest Georgia Regional Medical Center in Cuthbert became the state's first Critical Access Hospital in 1999.

Located in Cuthbert, Ga., Southwest Georgia Regional Medical Center offers medical services that respond to community needs, including a 24-hour emergency center, senior care, surgical, swing bed, respiratory, radiology, laboratory and rehabilitation services. The 25-bed acute care and swing bed facility also has 80 nursing home beds.

Southwest Georgia Regional Medical Center (SGRMC) has approximately 250 employees.

Dorminy Medical Center

Dorminy Medical Center is a 75-bed, acute care facility located in Fitzgerald, Ga. (Ben Hill County). Accredited by JCAHO and a member of GHA (Georgia Hospital Association) and GHRA (Georgia Rural Hospital Association), Dorminy Medical Center was the 2001 Hometown Health Hospital of the Year.

PPHS entered into a management services agreement with the Hospital Authority of Ben Hill County November, 2010. The rural hospital provides the following services: cancer, cardiology, obstetrical care, rehabilitation, wound care, sleep study, hospice services and surgery, emergency care, medical imaging, pediatrics, physical therapy, and speech therapy. Since managing Dorminy, PPHS has also added hospitalist care.

Phoebe Dorminy employs nearly 350 employees.

Rural Clinics

PPHS has a strong commitment to primary care for the Southwest Georgia region. A network of family medical centers in six counties serves the entire family for those who reside outside of Albany. PPHS has rural health clinics in Ashburn, Camilla, Cuthbert, Ellaville, Fitzgerald, Pelham and Sylvester, Ga., each provides patients with same-day access for urgent problems, prenatal care, pediatric care, women's health care, older adult care, sports medicine, screening and preventive medicine, in-office laboratory services, and in-office x-ray services.

Each Family Medical Center is staffed with at least one family medicine physician.

PPHS also operates off-site cancer clinics at PWMC, Dorminy Medical Center, PSMC and at Colquitt Regional Medical Center in Moultrie, Ga., a sister not-for-profit community hospital. These clinics offer chemotherapy, and hematology and oncology services to local and regional patients. The clinic features eight individual stations of chairs and chemotherapy pumps, three exam rooms and a pharmacy and averages 20 new patients per month from all surrounding counties.

Other facilities

For those who need urgent care treatment, PPHS has two ConvenientCare locations, for minor injuries and ailments. These facilities treat patients at a lower cost on a walk-in basis only and visits number approximately 41,000 annually.

At two locations, The Tower Medical Group - Internal Medicine delivers high-quality, accessible healthcare. PPHS's Tower Medical Group provides primary and consultative medical care for adults, including geriatric patients, with emphasis on diagnosis, preventive health and continuity of care in both outpatient and inpatient settings.

PPHV owns Morningside Assisted Living, an assisted living facility that serves seniors with daily living activities, nutritious dining plans, active and meaningful daily programming. In addition to assisted living, Morningside also provides short-term (respite) care and Alzheimer's care.

PPHS also owns 18-licensed bed Willson Hospice House, where Albany Community Hospice provides inpatient end-of-life care, symptom management, short-term care for patients who are actively dying, and respite care for families.

Services Offered by PPHS:

Gastroenterology and Endoscopy
Ambulatory Infusion
Audiology
Bariatric Surgery
Behavioral Health
Oncology Services
Cardiac Rehabilitation
Breast Health Services
Chest Pain
Childbirth Education/Lactation
Convenient Care
Corporate Health
Corporate Onsite Services
Da Vinci Robotic Surgery
Diabetes Care
Digestive Diseases
Emergency Medicine
Cardiology
Cardiovascular
Hematology/Oncology
Home Health
Hospice and Palliative Care
Hyperbaric and Wound Care

Inpatient Rehabilitation
Labor and Delivery
Laboratory Medicine
Assisted Living
Neurodiagnostics
Orthopedics
Outpatient Diagnostics
Pain Management
Pediatrics
Pediatric Radiology
Pediatric Therapy
Physical Medicine
Physical and Occupational Therapy
Prostate Brachytherapy
Radiation Oncology
Sickle Cell Treatment
Sleep Disorder
Social Services/Support Groups
Speech Therapy
Sports Medicine
Surgical Weight Loss and Wellness
Surgical Care
Women's Health Services

Medical Staff

PPHS does not have a single System-wide medical staff. Rather each hospital has a separately credentialed medical staff, although there are a number of physicians who are on the medical staff of one or more of the System's hospitals.

An analysis of key characteristics of staff members at PPHS's five hospitals is highlighted in the following table:

PPHS' Medical Staff

As of July 31, 2012

	PPMH	Phoebe Worth	Phoebe Sumter	Phoebe Dorminy	SW Regional Medical Ctr.
Number of Active & Associate Staff Physicians	313	7	80	20	45
Number of Affiliate Staff Physicians	0	25	65	26	7
Number of Consulting Physicians	34	62	0	55	0
Percent of Board Certified Active & Associate Staff Physicians	90%	6%	81%	63%	96%
Average age (years) of Active & Associate Staff Physicians	50	55	50	52	54
Percent of Active & Associate Staff Physicians over Age 60	18%	43%	19%	2%	24%
Net Additions/Deletions to Active & Associate Staff from Aug '11 - Jul '12	50	2	12	4	11

*Affiliate staff physicians are staff members who have to be on active staff at another facility but can admit and treat patients without having the obligations of taking call and meeting attendance requirements that Active staff have. This category includes teleradiologists.

Employees

PPHS and its affiliated entities employ about 4,500 full- and part-time employees as of July 31, 2012. There is no union representation of employees. No employee groups within PPHS are subject to collective bargaining agreements.

Memberships and Accreditations

The Cancer Program at PPMH was granted three-year approval with commendation in October 2011 by the Commission on Cancer of the American College of Surgeons.

PPMH's Carlton Breast Health Center was granted Mammography accreditation in February 2010, Ultrasound accreditation in August 2011 and Stereotactic accreditation in June 2011. These 3 accreditations allow us to have the distinction of "BICOE", Breast Imaging Center of Excellence, which was achieved in August 2011.

PPMH was granted NAPBC (National Accreditation Program for Breast Centers) accreditation in December 2011 by the American College of Surgeons.

PPMH was granted accreditation in June 2012 by the American Association of Blood Banks (AABB)/College of American Pathologists (CAP).

The Southwest Georgia Family Medicine Residency Program at PPMH received full accreditation from the Accreditation Council for Graduate Medical Education, an arm of the American Medical Association in November 2009. The full accreditation allowed for expansion of the program, increasing the number of new residents from five to six, and ultimately increasing the number to eight new residents a year.

PPMH's Main Campus Clinical Laboratory was awarded an accreditation in July 2012 by the Commission on Laboratory Accreditation of the College of American Pathologists (CAP).

All currently operating hospital facilities of PPHS are fully accredited by the Joint Commission, licensed by the State of Georgia and certified for participation in the Medicare and Medicaid programs. Accreditations, licenses and certifications are subject to renewal or review periodically.

Strategic Relationships

PPHS and PPMH maintain and develop strategic partnerships that support the organizational mission and improve patient access to quality care. These partnerships span educational, clinical and community initiatives.

In 1993, PPMH became the headquarters for the Southwest Georgia Family Medicine with the goal of providing a stronger pipeline of primary care physicians to rural communities throughout Southwest Georgia. More than 70 percent of graduates have since located practices in the region. The organization has also developed an educational alliance with the Medical College of Georgia, Georgia Health Sciences University for third- and fourth-year medical students, creating the first off-site clinical campus at PPMH. There is also a strategic partnership with University of Georgia's School of Pharmacy that allows students to do clinical and education rotations at PPMH.

PPHS's leadership in graduate medical education in Georgia has also fostered the South Georgia Medical Education Consortium, which involves five other regional hospitals in supporting student education.

Strategic patient care relationships have created improved access for patients with cancer through clinics in several rural communities, bringing care close to home. The alliance with the Medical College of Georgia ("MCG")/Georgia Health Sciences University also provide a pediatric specialty clinic in Albany, staffed by MCG specialists in pediatric neurology, heart and surgery. These physicians see children in Albany and in regional outlying areas who can now come to PPMH for specific treatments or consultations.

PPHS and PPMH also have a partnership with the Southwest Georgia Cancer Coalition, which was formed in 2001 to eliminate disparities in access to care and to conduct research. PPMH was a founding partner and also supports a Georgia Distinguished Scholar who is a surgical oncologist.

Capital Expenditures

[Information to be added]

New Projects

[Information to be added]

Service Area Demographics

The following table lists the demographic information for PPHS' five-county Primary Service Area and its twenty-county service Area.

TABLE #
SERVICE AREA DEMOGRAPHICS

	1990	2000	2010
PPHS Primary Service Area*			
Total Population	149,239	177,728	177,355
% Age 65+	11.7%	11.1%	12.4%
Total 20-County Service Area**			
Total Population	314,609	359,778	363,156
% Age 65+	12.8%	12.0%	12.9%

*Represents the Georgia counties of Dougherty, Lee, Mitchell, Terrell and Worth.

** Represents the Georgia counties of Baker, Calhoun, Colquitt, Crisp, Dougherty, Early, Lee, Miller, Mitchell, Randolph, Sumter, Terrell, Tift, Turner and Worth.

Source: U.S. Census Bureau

Competition

The following table lists 2010 operated beds for the competitor hospitals in PPHS' 20-County Service Area. This information includes only acute care facility beds.

TABLE #
HOSPITAL BEDS IN SERVICE AREA

System or Hospital	Total Beds
Phoebe Putney Health System*	448
Palmyra Medical Center (HCA)**	120
Calhoun Memorial Hospital	25
Colquitt Regional Medical Center	73
Crisp Regional Hospital	65
Dorminy Medical Center***	75
Early Memorial Hospital	25

Miller County Hospital	25
Mitchell County Hospital	25
Southwest GA Regional Medical Center ***	25
Tift Regional Medical Center	191

*Includes Phoebe Putney Memorial Hospital (Main Campus), Phoebe Sumter Medical Center and Phoebe Worth Medical Center. The number of operated beds does not include hospitals managed by PPHS.

**On December 16, 2011, the Hospital Authority of Albany Dougherty County, Georgia purchased Palmyra Medical Center from HCA. On August 1, 2012, the Hospital Authority of Albany Dougherty County, Georgia entered into a forty-year lease agreement with Phoebe Putney Memorial Hospital, Inc. and Phoebe Putney Health System, Inc. to own and operate the acquired hospital under Phoebe Putney Memorial Hospital, Inc.'s license.

***Dorminy Medical Center and Southwest GA Regional Medical Center are managed by Phoebe Putney Health System.

The following table sets forth the inpatient discharges for PPHS's twenty-county Primary Service Area for calendar years 2009, 2010 and 2011.

TABLE #
PRIMARY SERVICE AREA INPATIENT DISCHARGES
(Calendar Year)

	2009		2010		2011	
	Inpatient Discharges	Percentage of Total	Inpatient Discharges	Percentage of Total	Inpatient Discharges	Percentage of Total
PPHS	14,747	68.6%	15,117	68.1%	15,061	72.5%
Palmyra Medical Center	2,979	13.9%	3,279	14.8%	2,635	12.7%
John D. Archbold Memorial Hospital	967	4.5%	1,028	4.6%	740	3.6%
Tift Regional Medical Center	571	2.7%	582	2.6%	525	2.5%
Mitchell County Hospital	237	1.1%	225	1.0%	161	0.8%
Other	2,006	9.3%	1,956	8.8%	1,647	7.9%
Total Inpatient Discharges	21,507	100.0%	22,187	100.0%	20,769	100.0%

Source: Georgia Hospital Association – Ga. Discharge Data System/Hermes. Information excludes newborns.

Operating and Financial Data

Utilization of System Facilities. The following table provides certain information concerning the combined utilization of the facilities of PPHS for the fiscal years ended July 31, 2010, 2011 and 2012.

**TABLE #
UTILIZATION OF SYSTEM FACILITIES**

Statistic	Fiscal Years Ended July 31,		
	2010	2011	2012
Operated Beds in Service (at yearend)	528	528	528
Inpatient Admissions	20,414	21,298	24,534
Patient Days (Inpatient)	107,090	112,495	116,465
Average Length of Stay (days)	5.25	5.28	4.75
Average Daily Census	293	308	319
Percent Occupancy	56%	58%	60%
Hospital Based Outpatient Visits	344,313	363,583	373,901
Outpatient Gross Patient Service Revenue to Total Gross Patient Service Revenue	60%	61%	60%

Source: PPHS Management

Sources of Combined Gross Patient Service Revenues. PPHS derives its patient revenue from private insurance carriers and managed care programs, from the State of Georgia and the federal government under the Medicaid Program, and from the federal government under the Medicare Program. See the discussion in the Official Statement under BONDHOLDERS RISKS – Dependence on Federal and State Funding for a description of certain matters related to the Medicare and Medicaid programs. The following table sets forth the percentages of combined gross patient service revenues PPHS derived from each type of payer for the fiscal years ended July 31, 2010, 2011 and 2012.

**TABLE #
SOURCES OF COMBINED GROSS PATIENT SERVICE REVENUES**

Payer Type	Fiscal Years Ended July 31,		
	2010	2011	2012
Medicare	43.5%	43.6%	43.8%
Medicaid	19.0%	19.7%	19.2%
Blue Cross	10.8%	11.2%	10.6%
Commercial	11.3%	10.2%	9.8%
Managed Care	4.2%	3.4%	5.2%
Other	11.2%	11.9%	11.4%
Total	100.0%	100.0%	100.0%

Source: PPHS Management

Summary of Combined Revenues and Expenses. The following summary presents selected financial information (dollars in thousands) of PPHS for the fiscal years ended July 31, 2010, 2011 and 2012. The revenue and expense information for the fiscal years ended July 31, 2010, 2011 and 2012 was extracted from the audited financial statements of PPHS. The following summary does not include all components of changes in net assets.

TABLE #
SCHEDULE OF HISTORICAL REVENUES AND EXPENSES

	July 31,		
	2010	2011	2012
Unrestricted revenues, gains and other support:			
Net patient service revenue*	\$ 601,474	\$ 630,637	\$ 665,874
Other revenue	20,020	22,183	25,998
Total operating revenue	<u>\$ 621,494</u>	<u>\$ 652,820</u>	<u>\$ 691,872</u>
Expenses:			
Salaries and wages	\$ 202,431	\$ 233,672	\$ 268,111
Employee health and welfare	67,897	72,351	65,823
Medical supplies and other	151,830	164,574	176,965
Purchased services	41,357	51,690	53,258
Depreciation and amortization	31,420	29,387	32,714
Interest	4,666	5,593	5,680
Provisions for bad debts	76,034	66,504	72,070
Total expenses	<u>\$ 575,635</u>	<u>\$ 623,771</u>	<u>\$ 674,621</u>
Operating Income	<u>\$ 45,859</u>	<u>\$ 29,049</u>	<u>\$ 17,251</u>
Nonoperating gains (losses):			
Investment income (loss)	30,695	45,728	(9,857)
Excess revenues (expenses)	<u>\$ 76,554</u>	<u>\$ 74,777</u>	<u>\$ 7,394</u>

*For the fiscal year ended July 31, 2012, the Obligated Group accounted for 76.7% of the net patient service revenue generated by the System.

Note – For a description of other changes in net assets for the fiscal years ended July 31, 2011 and 2012, (effective change in interest rate swaps, equity leased from Americus-Sumter County Hospital Authority, net assets released from donor restrictions, contributions, changes in related foundation net assets, and pension plan net actuarial gain, amortization of prior service cost and net loss), refer to the consolidated statement of operations and changes in net assets in the audited consolidated financial statements appended as **APPENDIX B**.

Historical Balance Sheets. The following summary presents selected financial information (dollars in thousands) of PPHS as of July 31, 2010, 2011 and 2012. The information as of July 31, 2011 and 2012 was extracted from the audited financial statements of PPHS.

TABLE #
HISTORICAL BALANCE SHEETS

	July 31,		
	2010	2011	2012
Assets			
Current assets:			
Cash and cash equivalents	\$ 260,926	\$ 290,372	\$ 112,705
Assets limited as to use - current	1,560	1,570	1,664
Patient accounts receivable, net of allowances	74,346	95,399	99,313
Supplies	8,028	8,080	8,166
Estimated third party payor settlements	-	1,614	5,079
Other current assets	5,715	6,987	8,093
Total current assets	\$ 350,575	\$ 404,022	\$ 235,020
Assets limited to use, net of current portion	278,212	295,047	306,800
Property and equipment, net	314,521	323,475	387,905
Other assets, net	25,757	30,762	260,727
	\$ 969,065	\$ 1,053,306	\$ 1,190,452
Liabilities and Net Assets			
Current liabilities:			
Current portion of long-term debt	\$ 5,184	\$ 5,262	\$ 4,715
Short-term debt	-	-	100,000
Accounts payable	26,858	24,227	20,378
Accrued expenses	41,067	51,262	48,275
Estimated third party payor settlements	5,243	339	-
Total current liabilities	\$ 78,352	\$ 81,090	\$ 173,368
Long-term debt, net of current portion	218,971	213,702	209,065
Accrued pension cost	83,977	83,066	138,899
Accrued self-insurance cost	33,280	42,940	48,831
Derivative financial instruments	7,199	4,607	14,035
Total liabilities	\$ 421,779	\$ 425,405	\$ 584,198
Net assets:			
Unrestricted	\$ 541,801	\$ 621,704	\$ 599,639
Temporarily restricted	4,429	4,770	5,034
Permanently restricted	1,056	1,427	1,581
Total net assets	\$ 547,286	\$ 627,901	\$ 606,254

Total liabilities and net assets

\$ 969,065 \$ 1,053,306 \$ 1,190,452

Historical Liquidity – Days Cash on Hand. The following table sets forth, for fiscal years ended July 31, 2010, 2011 and 2012, PPHS' calculation of days cash on hand. The information for fiscal years ended July 31, 2011 and 2012 was extracted from the audited consolidated financial statements of PPHS.

TABLE #
HISTORICAL LIQUIDITY - DAYS CASH ON HAND

	Fiscal Years Ended July 31,		
	2010	2011	2012
Cash and cash equivalents	\$ 260,926	\$ 290,372	\$ 112,705
Short term investments	-	-	-
Assets limited as to use-internally designated for capital acquisition	248,729	263,387	248,729
Total available cash	509,655	553,759	361,434
Total operating expenses	575,635	623,771	674,621
Plus-income taxes	-	-	-
Less-depreciation and amortization	(31,420)	(29,387)	(32,714)
Adjusted total operating expenses	\$ 544,215	\$ 594,384	\$ 641,907
Average daily operating expense	\$ 1,491	\$ 1,628	\$ 1,759
Days cash ratio (days)*	341.8	340.1	205.5

*Total available cash divided by Average daily operating expense.

Source: PPHS Management

Historical Capitalization – Debt to Capitalization Ratio. The following table sets forth, for fiscal years ended July 31, 2010, 2011 and 2012, PPHS' calculation of its debt to capitalization ratio. The information for fiscal years ended July 31, 2011 and 2012 was extracted from the audited consolidated financial statements of PPHS.

TABLE #
HISTORICAL CAPITALIZATION - DEBT TO CAPITALIZATION RATIO

	Fiscal Years Ended July 31,		
	2010	2011	2012
Debt:			
Current portion of long-term debt	\$ 5,184	\$ 5,262	\$ 4,715
Long-term debt, net of current portion	218,971	213,702	209,065
Total debt	\$ 224,155	\$ 218,964	\$ 213,780
Unrestricted net assets	\$ 541,801	\$ 621,704	\$ 599,639
Debt to capitalization ratio*	29.3%	26.0%	26.3%

*Total Debt divided by Total Debt plus Unrestricted net assets.

Management's Discussion of Recent Financial Performance

Overview. The purpose of this discussion is to provide an understanding of PPHS' results of operations for the years ended July 31, 2011 and 2012.

Fiscal Year 2012. [Information to be completed]

Fiscal Year 2011. [Information to be completed]

Retirement Plans

PPHS sponsors a defined benefit pension plan and defined contribution plan. The defined benefit plan was closed to new entrants as of December 31, 2006 and all new employees since that time are covered under the defined contribution plan.

The defined benefit plan covers substantially all System employees employed prior to January 2007 who meet age and service requirements. Retirement costs and obligations are dependent on assumptions used in calculating such amounts. These assumptions include discount rates, expected return on plan assets, rates of compensation increases and other factors. In accordance with accounting principles generally accepted in the United States of America, actual results that differ from the assumptions are accumulated and amortized over future periods and therefore generally affect expenses and recorded obligations in future periods. While management believe that the assumptions used are appropriate and the liabilities fairly stated, differences in actual experience or changes in assumptions may impact future obligations and expenses.

For Fiscal Year 2012, the System utilized the following assumptions to determine benefit obligations and net periodic benefit cost:

Discount Rate – benefit obligation	4.57%
Discount Rate – net periodic benefit cost	5.41%
Rate of Compensation Increase	4.00%
Expected Rate of Return on Plan Assets	8.75%

The System provides investment oversight for the defined benefit plan. For Fiscal Year 2012, the asset allocation was as follows:

Cash and Cash Equivalents	6%
U.S. Equity Securities	22%
Fixed Income	23%
Real Assets	4%
Opportunistic	5%
Hedge Funds	20%
Non U.S. Equity Securities	15%
Emerging Markets	5%

As of July 31, 2012, the funded status of the defined benefit plan was 52% of the projected benefit obligation. At the end of Fiscal Year 2012, the projected benefit obligation was approximately \$289,275,000. For more information on the defined benefit plan see the consolidated financial statements and supplemental schedules as of and for the years ended July 31, 2012 and 2011 of the Health System, included in **APPENDIX B** to this Official Statement, in Note (14) under “**Notes to Consolidated Financial Statements**” therein.

The defined contribution plan covers substantially all eligible employees. Employees may deposit a portion of their earnings for each pay period on a pre-tax basis and the System matches 50% of each participant’s voluntary contribution up to a maximum of 4% of the employee’s annual salary. The System can make discretionary contributions to the plan for those employees hired after December 31, 2006 who meet the eligibility requirements. During Fiscal Year 2012, the discretionary contribution to this plan was approximately \$3,343,000.

The System maintains an unfunded Supplemental Executive Retirement plan (“SERP”), which provides retirement benefits to certain officers and select employees. The plan is non-qualified and does not have a minimum funding requirement. The liability for this SERP obligation is included in accrued expenses included in the audited financial statements as of and for the years ended July 31, 2012 and 2011 of the Health System, included in **APPENDIX B** to this Official Statement, in the “**Consolidated Balance Sheets**” therein.

Investment Policy

PPHS manages substantially all of its cash, short-term and long-term investments in accordance with an Investment Policy approved by the PPHS Board of Directors. PPHS retains various professional investment managers and advisors to oversee its investments in different classes of securities according to asset allocation targets that are set in conjunction with the Investment Policy and PPHS' overall strategic and financial plan.

Litigation and Regulatory Matters

[Information needed from T. Chambliss]

DRAFT

APPENDIX B

FINANCIAL STATEMENTS OF PHOEBE PUTNEY HEALTH SYSTEMS, INC.

The consolidated financial statements of Phoebe Putney Health System, Inc. as of July 31, 2011 and 2010, and for the years then ended, included in this Official Statement as this Appendix B, have been audited by Draffin & Tucker, LLP, independent auditors, as stated in their report appearing in this Appendix B.

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APPENDIX C

DEFINITIONS AND SUMMARIES OF PRINCIPAL DOCUMENTS

Information under the captions "DEFINITIONS OF CERTAIN TERMS," "THE CERTIFICATE INDENTURE," "THE LOAN AGREEMENT," and "THE MASTER INDENTURE," in this Appendix B has been prepared by McKenna Long & Aldridge LLP, Atlanta, Georgia, Bond Counsel.

APPENDIX D

FORM OF LEGAL OPINION

The form of Legal Opinion included as this Appendix D has been prepared by McKenna Long & Aldridge LLP, Atlanta, Georgia, Bond Counsel, and is substantially the form to be given in connection with the delivery of the Series 2012 Certificates.

APPENDIX E

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of December 1, 2012, is executed and delivered by Phoebe Putney Memorial Hospital, Inc. (the “Hospital”), on behalf of itself and Phoebe Putney Health System, Inc. (the “Health System” and collectively with the Hospital, the “Obligated Group”) and by Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Obligated Group through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Obligated Group or anyone on the Obligated Group’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Obligated Group for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event

notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Obligated Group and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Obligated Group pursuant to Section 9 hereof.

“Disclosure Representative” means the Chief Financial Officer of the Hospital or his or her designee, or such other person as the Obligated Group shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Obligated Group’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Obligated Group, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Obligated Group in connection with the Bonds, as listed on Appendix A.

“Quarterly Financial Information” means annual financial information as such term is used and specified in Section 3(a) of this Disclosure Agreement.

“Quarterly Report” means a Quarterly Report described in and consistent with Section 3 of this Disclosure Agreement.

“Trustee” means the institution, if any, identified as such in the document under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual and Quarterly Reports.

(a) The Obligated Group shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than [one hundred fifty (150) days] after the end of each fiscal year of the Obligated Group, commencing with the fiscal year ending July 31, 2013. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) The Obligated Group shall provide, quarterly, an electronic copy of the Quarterly Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide a Quarterly Report to the MSRB not later than [sixty (60) days] after the end of each fiscal quarter of the Obligated Group, commencing with the fiscal quarter ending April 30, 2013. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a

single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(c) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification or the Quarterly Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Obligated Group of its undertaking to provide the Annual Report pursuant to Section 2(a) or to provide the Quarterly Report pursuant to Section 2(b). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification or the Quarterly Report and Certification, as applicable, no later than two (2) business days prior to the Annual Filing Date or Quarterly Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Obligated Group will not be able to file the Annual Report or the Quarterly Report within the time required under this Disclosure Agreement, state the date by which the Annual Report or Quarterly for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification or Quarterly Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date or Quarterly Filing Date, as applicable (or, if such Annual Filing Date or Quarterly Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Obligated Group irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Obligated Group are prepared but not available prior to the Annual Filing Date, the Obligated Group shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as

instructed by the Obligated Group pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies;"
 2. "Non-Payment related defaults, if material;"
 3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
 4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"
 5. "Substitution of credit or liquidity providers, or their failure to perform;"
 6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
 7. "Modifications to rights of securities holders, if material;"
 8. "Bond calls, if material;"
 9. "Defeasances;"
 10. "Release, substitution, or sale of property securing repayment of the securities, if material;"
 11. "Rating changes;"
 12. "Tender offers;"
 13. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
 14. "Merger, consolidation, or acquisition of the obligated person, if material;" and
 15. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Obligated Group pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking;"
2. "change in obligated person;"
3. "notice to investors pursuant to bond documents;"
4. "certain communications from the Internal Revenue Service;"
5. "secondary market purchases;"
6. "bid for auction rate or other securities;"
7. "capital or other financing plan;"
8. "litigation/enforcement action;"
9. "change of tender agent, remarketing agent, or other on-going party;"
10. "derivative or other similar transaction;" and
11. "other event-based disclosures;"

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Obligated Group pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information;"
2. "change in fiscal year/timing of annual disclosure;"
3. "change in accounting standard;"
4. "interim/additional financial information/operating data;"
5. "budget;"
6. "investment/debt/financial policy;"
7. "information provided to rating agency, credit/liquidity provider or other third party;"
8. "consultant reports;" and

9. "other financial/operating data."

(viii) provide the Obligated Group evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Obligated Group may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual and Quarterly Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Obligated Group, including the information provided in the Official Statement under the headings: _____.

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP") as described in the Official Statement will be included in the Annual Report. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

(c) Each Annual Report shall contain Quarterly Financial Information with respect to the Obligated Group, including the information provided in the Official Statement under the headings: _____.

(d) Quarterly Financial Information shall include unaudited financial statement prepared by the Obligated Group in accordance with GAAP, including balance sheets, statements of operations and changes in net assets, and statements of cash flows, each on a comparative basis for the same fiscal quarter for the prior year.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Obligated Group is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Obligated Group will clearly identify each such document so incorporated by reference.

Any Annual Financial Information or Quarterly Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and

orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Obligated Group shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Obligated Group desires to make, contain the written authorization of the Obligated Group for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Group desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Obligated Group or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Obligated Group determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Obligated Group desires to make, contain the written authorization of the Obligated Group for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Group desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Obligated Group as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with

MSRB in accordance with Section 2 (e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, Quarterly Reports, documents incorporated by reference to the Annual Reports, Quarterly Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Obligated Group shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Obligated Group acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Obligated Group, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Obligated Group acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Obligated Group may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Obligated Group desires to make, contain the written authorization of the Obligated Group for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Group desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Group as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Obligated Group may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Obligated Group desires to make, contain the written authorization of the Obligated Group for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Group desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Group as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(e) The parties hereto acknowledge that the Obligated Group is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(f) Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Group from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Quarterly Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Obligated Group chooses to include any information in any Annual Report, Quarterly Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Obligated Group shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Quarterly Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Obligated Group and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Obligated Group is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Obligated Group has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Obligated Group may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Obligated Group or DAC, the Obligated Group agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Obligated Group shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Obligated Group.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Obligated Group or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Obligated Group has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Obligated Group and shall not be deemed to be acting in any fiduciary capacity for the Obligated Group, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Obligated Group's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Obligated Group has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Obligated Group at all times.

The obligations of the Obligated Group under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Obligated Group.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Obligated Group and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Obligated Group and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Obligated Group or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Obligated Group. No such

amendment shall become effective if the Obligated Group shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Obligated Group, the Trustee of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Obligated Group have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer Hospital Authority of Albany-Dougherty County, Georgia
Obligated Person(s) Phoebe Putney Memorial Hospital, Inc.
 Phoebe Putney Health System, Inc.
Name of Bond Issue: Revenue Anticipation Certificates (Phoebe Putney Memorial
 Hospital) Series 2012
Date of Issuance: December __, 2012
Date of Official Statement December __, 2012

CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
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CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____
CUSIP Number: _____	CUSIP Number: _____

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL/QUARTERLY REPORT

Issuer: Hospital Authority of Albany-Dougherty County
Obligated Person: Phoebe Putney Memorial Hospital, Inc.
Phoebe Putney Health System, Inc.
Name(s) of Bond Issue(s): Revenue Anticipation Certificates (Phoebe Putney Memorial
Hospital) Series 2012
Date(s) of Issuance: December __, 2012
Date(s) of Disclosure: December 1, 2012
Agreement:
CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Obligated Group has not provided an Annual/a
Quarterly Report with respect to the above-named Bonds as required by the Disclosure
Agreement between the Obligated Group and Digital Assurance Certification, L.L.C., as
Disclosure Dissemination Agent. The Obligated Group has notified the Disclosure
Dissemination Agent that it anticipates that the Annual Report/Quarterly Report will be filed by

_____.

Dated: _____

Digital Assurance Certification, L.L.C., as
Disclosure Dissemination Agent, on behalf of the
Obligated Group

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

_____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Tender offers;"
13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. _____ "Merger, consolidation, or acquisition of the obligated person, if material;" and
15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

_____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the Obligated Group or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____ between the Obligated Group and DAC.

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking;"
2. _____ "change in obligated person;"
3. _____ "notice to investors pursuant to bond documents;"
4. _____ "certain communications from the Internal Revenue Service;"
5. _____ "secondary market purchases;"
6. _____ "bid for auction rate or other securities;"
7. _____ "capital or other financing plan;"
8. _____ "litigation/enforcement action;"
9. _____ "change of tender agent, remarketing agent, or other on-going party;"
10. _____ "derivative or other similar transaction;" and
11. _____ "other event-based disclosures."

I hereby represent that I am authorized by the Obligated Group or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____ between the Obligated Group and DAC.

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

____ Description of Voluntary Financial Disclosure (Check One):

1. _____ "quarterly/monthly financial information;"
2. _____ "change in fiscal year/timing of annual disclosure;"
3. _____ "change in accounting standard;"
4. _____ "interim/additional financial information/operating data;"
5. _____ "budget;"
6. _____ "investment/debt/financial policy;"
7. _____ "information provided to rating agency, credit/liquidity provider or other third party;"
8. _____ "consultant reports;" and
9. _____ "other financial/operating data."

I hereby represent that I am authorized by the Obligated Group or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AMENDED AND RESTATED INDENTURES OF TRUST AND AMENDED AND RESTATED LOAN AGREEMENTS IN CONNECTION WITH REFUNDING REVENUE ANTICIPATION CERTIFICATES (PHOEBE PUTNEY MEMORIAL HOSPITAL) SERIES 2008A IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$54,225,000 AND REFUNDING REVENUE ANTICIPATION CERTIFICATES (PHOEBE PUTNEY MEMORIAL HOSPITAL) SERIES 2008B IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$54,100,000 PREVIOUSLY ISSUED BY THE HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA; AUTHORIZING EXECUTION AND DELIVERY OF CERTAIN OTHER INSTRUMENTS, DOCUMENTS AND CERTIFICATES CONTEMPLATED TO BE EXECUTED AND DELIVERED IN CONNECTION WITH THE PROPOSED CONVERSION OF THE INTEREST PERIOD FOR THE SERIES 2008 CERTIFICATES TO A BANK RATE PERIOD, AND CERTAIN RELATED MATTERS.

WHEREAS, pursuant to the Hospital Authorities Law (O.C.G.A. Section 31-7-70, et seq., as amended) (the "Act"), the Hospital Authority of Albany-Dougherty County, Georgia (the "Authority") is authorized to issue its revenue anticipation certificates for the purposes provided in the Act, and the Authority has determined that it is necessary and in the public interest for it to issue a series of revenue anticipation certificates for such purposes;

WHEREAS, the Authority has previously issued its Refunding Revenue Anticipation Certificates (Phoebe Putney Memorial Hospital) Series 2008A in the original aggregate principal amount of \$54,225,000 (the "Series 2008A Certificates") and its Refunding Revenue Anticipation Certificates (Phoebe Putney Memorial Hospital) Series 2008B in the original aggregate principal amount of \$54,100,000 (the "Series 2008B Certificates" and together with the Series 2008A Certificates, the "Series 2008 Certificates"), each pursuant to a separate Indenture of Trust dated as of October 1, 2008 (each an "Original Indenture" and collectively, the "Original Indentures") between the Authority and Regions Bank, as trustee (the "Trustee");

WHEREAS, the Authority has previously loaned the proceeds of the Series 2008A Certificates and the Series 2008B Certificates to Phoebe Putney Memorial Hospital, Inc. (the "Hospital") pursuant to separate Loan Agreements dated as of October 1, 2008 (each an "Original Loan Agreement" and collectively, the "Original Loan Agreements");

WHEREAS, the Hospital has requested the Authority and the Trustee to make certain modifications to (1) each of the Original Indentures as described in the form of a separate Amended and Restated Indenture of Trust between the Authority and the Trustee (each an "Amended and Restated Indenture" and collectively, the "Amended and Restated Indentures") presented to the Authority on the date hereof and (2) each of the Original Loan Agreements as described in the form of a separate Amended and Restated Loan Agreement between the Authority and the Hospital (each an "Amended and Restated Loan Agreement" and collectively, the "Amended and Restated Loan Agreements") presented to the Authority on the date hereof;

WHEREAS, pursuant to Section 11.02 and Section 12.02 of the Original Indentures, the Authority and the Trustee may enter into supplemental indentures and agreements for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Original Indentures and the Original Loan Agreements, subject to certain limitations, with the consent of the related Credit Provider (as defined in each Original Indenture) and the Owners of not less than a majority in aggregate principal amount of the related series of Outstanding Series 2008 Certificates;

WHEREAS, the Credit Provider is to be deemed the Owner of the related Series 2008 Certificates during any Credit Facility Period (as defined in the Original Indentures) for purposes of Section 11.02 and Section 12.02 of the Original Indentures;

WHEREAS, the payment of the principal of, purchase price and interest on the Series 2008 Certificates is secured by an irrevocable letter of credit issued by SunTrust Bank, as Credit Provider with respect to the Series 2008A Certificates, and Regions Bank, as Credit Provider with respect to the Series 2008B Certificates;

WHEREAS, SunTrust Bank, as Credit Provider with respect to the Series 2008A Certificates, and Regions Bank, as Credit Provider with respect to the Series 2008B Certificates, have consented to the execution and delivery of the related Amended and Restated Indenture;

WHEREAS, as security for the payment of the Series 2008 Certificates and pursuant to an Amended and Restated Series 2008 Supplement to Master Indenture dated as of November 15, 2012 (the "Amended and Restated Series 2008 Supplement") among the Hospital, Phoebe Putney Health System, Inc. and U.S. Bank National Association, National Association, as Master Trustee (the "Master Trustee"), supplementing the Master Trust Indenture dated as of March 1, 2002, as amended (the "Master Indenture") between the Hospital and the Master Trustee, the Hospital will execute and deliver to the Authority certain amended and restated promissory notes each in a principal amount equal to the principal amount of the related series of Series 2008 Certificates issued pursuant to the Master Indenture (collectively, the "Amended and Restated Series 2008 Obligations"), and the Authority will assign the Amended and Restated Series 2008 Obligations to the related Trustee pursuant to the related Indenture;

WHEREAS, the Hospital has informed the Authority that, shortly after the execution and delivery of the Amended and Restated Indentures, it intends to exercise its option to direct a change in the Interest Period for the Series 2008 Certificates from a Daily Period to a Bank Rate Period effective as of December 7, 2012 or an Interest Payment Date thereafter (the "Mandatory Purchase Date") (as such terms are defined in the Amended and Restated Indentures);

WHEREAS, upon the conversion of the Interest Period for the Series 2008 Certificates to a Bank Rate Period effective on the Mandatory Purchase Date, the Authority expects that Banc of America Public Capital Corp (the "Purchaser") will purchase the Series 2008 Certificates for a purchase price equal to the principal amount thereof;

WHEREAS, in connection with the purchase of the Series 2008 Certificates by the Purchaser on the Mandatory Purchase Date, the Hospital, Phoebe Putney Health System, Inc. and the Purchaser expect to execute and deliver a Continuing Covenant Agreement (the "Continuing Covenant Agreement");

WHEREAS, in connection with the purchase of the Series 2008 Certificates by the Purchaser on the Mandatory Purchase Date, the Hospital will request the Authority to execute new Series 2008 Certificates in the form attached as Exhibit A-2 to each of the Amended and Restated Indentures;

WHEREAS, there has been presented to the Authority the following documents (collectively, the "Authority Documents"), copies of which have been made available to the Authority, which when executed will provide for the amendment of the Original Indentures:

- (1) the form of the Amended and Restated Indenture relating to the Series 2008A Certificates;
- (2) the form of the Amended and Restated Indenture relating to the Series 2008B Certificates;

(3) the form of the Amended and Restated Loan Agreement relating to the Series 2008A Certificates; and

(4) the form of the Amended and Restated Loan Agreement relating to the Series 2008B Certificates;

WHEREAS, it appears that each of the Authority Documents is appropriate for the purposes intended;

NOW, THEREFORE, BE IT RESOLVED BY THE HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA AS FOLLOWS :

Section 1. *Receipt of the Instruments.* The Authority hereby acknowledges receiving the Authority Documents.

Section 2. *Authorization of Projects.* The Authority hereby determines and declares that the financing of each Project (as defined in the Amended and Restated Loan Agreements) with a portion of the proceeds of the Series 2008 Certificates is a lawful and valid public purpose and will further the public purpose intended to be achieved by the Act.

Section 3. *Authorization and Execution of Series 2008 Certificates.* To provide the funds necessary to finance the costs of the acquiring, constructing and equipping of the Projects, the issuance of the Series 2008 Certificates in an aggregate principal amount not to exceed \$108,325,000 hereby is authorized. The Series 2008 Certificates will bear interest at a rate or rates not to exceed 25% per annum, will mature not later than September 1, 2032, will be issued in such denominations, be subject to such rights of exchangeability and transfer, be subject to redemption prior to maturity, be payable, be in the form and be executed and authenticated, all on the terms set forth in the Amended and Restated Indenture. The aggregate maximum principal and interest on the Series 2008 Certificates in any year will not exceed \$30,000,000. The execution of the Series 2008 Certificates in the manner provided in the Amended and Restated Indentures and, upon their execution, the delivery of the Series 2008 Certificates to the related Trustee for proper authentication and delivery to the purchasers thereof with instructions to that effect as provided in the Amended and Restated Indentures are hereby authorized. The Chairman or Vice-Chairman of the Authority hereby is authorized to execute the Series 2008 Certificates and the Secretary or any Assistant Secretary of the Authority hereby is authorized to attest the Series 2008 Certificates.

Section 4. *Approval, Execution and Delivery of the Authority Documents.* In order to provide for the amendment to each of the Original Indentures as permitted by the terms of the Original Indentures, the execution and delivery of the Authority Documents are hereby authorized. The forms of the Authority Documents as submitted to the Authority at this meeting of the Authority are hereby approved, subject to such changes, insertions and deletions as may be approved and made in such form of the Authority Documents by the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority executing the same, such execution to be conclusive evidence of such approval.

Section 5. *Authorization and Execution of Series 2008 Certificates.* Upon the receipt of written direction from the Hospital in connection with the proposed conversion of the Interest Period for the Series 2008 Certificates from a Daily Period to a Bank Rate Period as permitted by the Amended and Restated Indentures, the execution of new Series 2008 Certificates in the form attached as Exhibit A-2 to each of the Amended and Restated Indentures, the delivery of such Series 2008 Certificates to the Trustee for proper authentication and delivery to the Purchaser as provided in the Amended and Restated Indentures are hereby authorized. The Chairman or Vice-Chairman of the Authority hereby is authorized to execute the new Series 2008 Certificates and the Secretary or any Assistant Secretary of the Authority

hereby is authorized to attest the new Series 2008 Certificates upon the conversion of the Series 2008 Certificates to a Bank Rate Period.

Section 6. *Approval of Other Documents.* The form and substance of the Amended and Restated Series 2008 Supplement, the Amended and Restated Series 2008 Obligations and the Continuing Covenant Agreement are hereby approved in substantially the form submitted to the Authority with such changes, corrections, insertions, deletions, variations, additions, or omissions as may be acceptable to the parties thereto, the execution of the Authority Documents by the Chairman or Vice Chairman of the Authority to be conclusive evidence of the approval thereof by the Authority.

Section 7. *Validation.* The Chairman or the Vice Chairman of the Authority is authorized to cause the commencement of proceedings to validate the Series 2008 Certificates and the security therefor as required by the Act and the Revenue Bond Law of the State of Georgia, O.C.G.A. Section 36-82-60 *et seq.*, including the inclusion of a waiver of any performance audit or performance review (as such terms are described in Section 36-82-100, Official Code of Georgia Annotated) with respect to the Series 2008 Certificates or the Project (as defined in the Amended and Restated Indentures).

Section 8. *Non-Arbitrage Certification.* The Chairman or Vice-Chairman of the Authority hereby is authorized to execute a non-arbitrage certification in order to comply with Section 103(c) of the Internal Revenue Code of 1986, as amended, and the applicable income tax regulations thereunder, in connection with the proposed conversion of the Interest Period for the Series 2008 Certificates from a Daily Period to a Bank Rate Period.

Section 9. *Authorization to Carry Out Intent of Resolution.* The appropriate officers and agents of the Authority are hereby authorized, empowered and directed to execute such other documents, instruments, contracts and certificates, whether or not expressly contemplated hereby, and to do all acts and things, in each case, as may be necessary to carry out and comply with the provisions of this Resolution, the Series 2008 Certificates and the Authority Documents for the full, punctual and complete performance of all terms, covenants, provisions and agreements herein and therein contained, and as otherwise may be necessary or desirable to effectuate the purpose and intent of this Resolution and the proposed conversion of the Interest Period for the Series 2008 Certificates to a Bank Rate Period.

Section 10. *No Personal Liability.* No stipulation, obligation or agreement herein contained or contained in the Authority Documents will be deemed to be a stipulation, obligation or agreement of any officer, commissioner, director, employee or agent of the Authority in his or her individual capacity, and no such officer, commissioner, director, employee or agent will be personally liable on the Series 2008 Certificates or be subject to personal liability or accountability by reason of the issuance thereof.

Section 11. *Severability.* If any one or more of the covenants, agreements or provisions of this Resolution, or any of the documents contemplated hereby is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or for any reason whatsoever is held invalid, then such covenants, agreements or provisions will be null and void and will be deemed separate from the remaining covenants, agreements, or provisions of this Resolution or of such documents and will in no way effect the validity of any of the other agreements and provisions of this Resolution or of the Series 2008 Certificates.

Section 12. *Governing Law.* The Resolution is adopted and the Authority Documents will be executed with the intent that the laws of the State of Georgia will govern their construction.

Section 13. *Approval of All Acts.* All acts and deeds of the officers and agents of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and delivery of the Authority Documents and the conversion of the Interest Period for the

Series 2008 Certificates to a Bank Rate Period and all other instruments, documents and certificates necessary to authorize the conversion of the Interest Period for the Series 2008 Certificates to a Bank Rate Period are in all respects approved and confirmed.

Section 14. *Effective Date; Repealer.* This Resolution will become effective immediately upon its adoption and all resolutions in conflict herewith are to the extent of such conflict hereby repealed.

PASSED, ADOPTED AND APPROVED this 8th day of November, 2012.

HOSPITAL AUTHORITY OF ALBANY-
DOUGHERTY COUNTY, GEORGIA

(SEAL)

By: 
Chairman

SECRETARY'S CERTIFICATE

The undersigned Secretary of the Hospital Authority of Albany-Dougherty County, Georgia DOES HEREBY CERTIFY that the foregoing pages of typewritten matter constitute a true and correct copy of a resolution unanimously adopted on November 8, 2012, by the board of directors of the Authority in a meeting duly called and assembled, which was open to the public and at which a quorum was present and acting throughout, and that the original of said resolution appears of record in the minute books of the Authority which is in my custody and control.

Given under my hand and seal of the Authority, this 8th day of November, 2012.

By Eugene D. Shermanata
Secretary

**RESOLUTION APPROVING CLARIFYING AMENDMENT TO
AMENDED AND RESTATED LEASE AND TRANSFER AGREEMENT**

November 8, 2012

WHEREAS, the Hospital Authority of Albany-Dougherty County (the "Authority") entered into a Lease and Transfer Agreement, effective August 1, 2012 (the "Lease"), whereby both Phoebe Putney Memorial Hospital and Phoebe North were leased to Phoebe Putney Memorial Hospital, Inc. for a 40 year period commencing August 1, 2012; and

WHEREAS, it was the clear intent and understanding of the parties in entering into said Lease that a 40 year period, commencing August 1, 2012, would be the term of the aforesaid Lease with respect to Phoebe Putney Memorial Hospital properties as well as all properties of the Authority acquired by the Authority in the transaction with Palmyra Medical Center on December 16, 2011; and

WHEREAS, in order to be certain there is clarity and no doubt, ambiguity or misunderstanding exists concerning the term of the Lease, the parties are desirous of entering into a clarifying amendment to the same.

NOW THEREFORE, BE IT RESOLVED, that certain Amended and Restated Lease and Transfer Agreement entered into by and between the Authority and Phoebe Putney Memorial Hospital, Inc., effective August 1, 2012, be amended as set forth in the attachment hereto and that the proper officials of the Authority be and they are hereby authorized and directed to execute and deliver on behalf of the Authority, the attached clarifying Amendment.

This 8th day of November, 2012.

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY
COUNTY, GEORGIA


Chairman

**CLARIFYING AMENDMENT TO
AMENDED AND RESTATED LEASE AND TRANSFER AGREEMENT**

THIS AMENDMENT clarifies and amends that Amended and Restated Lease and Transfer Agreement between the Hospital Authority of Albany-Dougherty County, Georgia ("Transferor") and Phoebe Putney Memorial Hospital, Inc. ("Transferee") dated August 1, 2012 (the "Amended Lease").

WITNESSETH:

WHEREAS, the Transferor and Transferee previously entered into the Amended Lease;

WHEREAS, the Transferor and Transferee desire to clarify the duration of the term of the Amended Lease;

NOW, THEREFORE, in consideration of the premises set forth herein and in the Amended Lease, it is agreed as follows:

The Amended Lease is hereby amended to include a revised definition of the term "Term of this Agreement" as set forth in Article I DEFINITIONS of the Amended Lease so as to read as follows:

"Term of this Agreement" or the "term hereof" means the period commencing on the Commencement Date and ending on the last day of the 40th Operating Year after the Commencement Date as defined in Section 3.01(c)(2) meaning August 1, 2012, such that the Term of this Agreement for all purposes shall be effective through July 31, 2052, unless sooner terminated pursuant to the provisions hereof or unless extended pursuant to the provisions hereof.

[This Amendment continues with signatures on the following page]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the _____ day of November, 2012.

TRANSFEROR:

Signed, sealed and delivered
in the presence of:

HOSPITAL AUTHORITY OF ALBANY-
DOUGHERTY COUNTY, GEORGIA

Unofficial Witness

By: _____

Title: _____

Notary Public

(SEAL)

My Commission Expires:

Attest:

[NOTARIAL SEAL]

By: _____

Title: _____

TRANSFeree:

Signed, sealed and delivered
in the presence of:

PHOEBE PUTNEY MEMORIAL HOSPITAL,
INC.

Unofficial Witness

By: _____

Title: _____

Notary Public

(CORPORATE SEAL)

My Commission Expires:

Attest:

[NOTARIAL SEAL]

By: _____

Title: _____

Resolution


BE IT RESOLVED ON THIS DAY,
NOVEMBER 8, 2012


THE HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY
FORMALLY RECOGNIZES

John S. Inman, Jr., MD

- WHEREAS, John S. Inman, Jr., MD, has served on the Hospital Authority of Albany-Dougherty County since 2003;
- WHEREAS, he has served as the Authority's assistant secretary, serving with dedication and commitment;
- WHEREAS, Dr. Inman came home to Albany to practice obstetrics and gynecology for more than 60 years following his graduation in 1945 from Emory University School of Medicine, where he is a founding member of the prestigious university's National Council;
- WHEREAS, he is a model of extraordinary leadership and achievement in medicine;
- WHEREAS, his education and training included an internship and surgical residency at St. Joseph Hospital, Lexington, Kentucky and a residency in obstetrics and gynecology at Crawford Long Hospital in Atlanta;
- WHEREAS, his lifetime commitment to women's health is unwavering; he is a diplomate of the American Board of Obstetrics and Gynecology; past chairman of the Georgia Section of the American College of Obstetrics and Gynecology; past president of the Georgia Obstetricians and Gynecologists Society and past vice president of the South Atlantic Association of Obstetrics and Gynecology;
- WHEREAS, in 2008, the Emory University School of Medicine presented the Arnall Patz Lifetime Achievement Award to Dr. Inman, an honor based on nearly five decades of displaying extraordinary leadership and accomplishments in the field of medicine;
- WHEREAS, he is widely recognized for his philanthropy and his commitment to future generations;
- WHEREAS, Dr. Inman has selflessly lent his time, talents and loyalties to many civic organizations to improve the quality of life for all Albanians, having served as a director of Phoebe Foundation since 1991, and as a former vice president and director of the Dougherty County Kiwanis Club, a trustee of the YMCA and director of Security Bank & Trust Company in Albany;
- WHEREAS, Dr. Inman, affectionately known as "Daddy Inman," has delivered "enough babies to populate a small town," showing compassion and love for each and every mother and child;
- WHEREAS, he has been the devoted husband of Willa, the father of two and grandfather of four;
- NOW, THEREFORE, BE IT RESOLVED that John S. Inman, Jr., MD, is recognized for his years of leadership, vision and service.

APPROVED by the Hospital Authority of Albany-Dougherty County, November 8, 2012.


Joel Werhick
President/CFO
Phoebe Putney Health System


Ralph Rosenberg
Chairman
Hospital Authority of Albany-Dougherty County

STATE OF GEORGIA
COUNTY OF DOUGHERTY

AFFIDAVIT RELATIVE TO CLOSED MEETING

Personally appeared before the undersigned, RALPH S. ROSENBERG, who having been duly sworn, deposes and states as follows:

1. I am over the age of 18 years, I am suffering under no disabilities and I am competent to testify to the matters contained herein.
2. I am the Chairperson of the Board of the Hospital Authority of Albany-Dougherty County, Georgia (the "Authority").
3. On the 8th day of November, 2012, at a meeting of the Authority Board, a motion was duly approved in a roll call vote for the Authority Board to go into closed session for the purposes of: (i) discussing with legal counsel, pending and potential claims and litigation as well as other legally confidential matters; and, (ii) discussing confidential and proprietary plans and strategies that may be of competitive advantage in the operation of Phoebe Putney Memorial Hospital and/or Phoebe North or their medical facilities.
4. To the best of my knowledge and belief, the business conducted during the closed portion of the meeting was devoted solely to the above matters for which the meeting was closed.

As of the 8th day of November, 2012.


Chairperson

Sworn to and subscribed before me


NOTARY PUBLIC (SEAL)

Dougherty County, Georgia

My Commission expires:

